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LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

CENTRAL BANK REPORTS ON OECS ECONOMIC GROWTH

FL071909 Bridgetown CANA in English 1801 GMT 7 Nov 86

[By Reudon Eversley]

[Text] Bridgetown, Nov 7--Output within the Organisation of Eastern Caribbean States (OECS) last year grew on average by 4.3 per cent--a slower rate than 1984--but the economic expansion was not evenly distributed among the seven countries comprising the sub-regional grouping, according to the region's central bank.

The just-released annual report of the St Kitts-based Eastern Caribbean Central Bank said real growth in gross domestic product (GDP) in the area ranged from a high of 6.7 per cent in Antigua and Barbuda to a modest one per cent for St Kitts-Nevis, the lowest increase.

Compared with 1984, the rate of expansion increased in Antigua, St Lucia, St Vincent and the Grenadines, Montserrat and Grenada, but there were declines for both St Kitts-Nevis and Dominica.

As was the case in 1984, the external sector, as reflected in an expansion of exports of goods and tourism services, provided a major impulse to growth in 1985, although the impact was not quite as large as in the previous year, said the ECCB report for the financial year ended March 31, 1986.

The 1985 rates of growth in other individual economies: St Vincent and the Grenadines 4.4 per cent; St Lucia 5.8 per cent, Montserrat 4.6 per cent, Grenada 3 per cent, and Dominica 1.2 per cent.

Amid increases in key agricultural exports and a creditable performance by tourism, there was a strengthening of the area's balance of payments for the second straight year, with the achievement of an overall surplus of EC 81.2 million dollars, compared with EC76.8 million in 1984 (one EC dollars; 37 cents U.S.).

Investment inflows, which were more buoyant than in 1984, also contributed to the improved balance of payments position. Net capital inflows, mainly direct investment in the tourism sector, amounted to 190 million dollars, compared with 171 million in 1984.

Net private long-term capital amounted 159 million dollars, an increase of 31 per cent.

According to the report, gross earnings from tourism amounted to EC604 million dollars, up some 12 per cent on the previous year. Stay-over visitors were up 11.4 per cent on 1984--the actual total was not given--and cruise ship visitors reached 326,700, an increase of 34 per cent.

There was, however, a reduced growth rate for stay-over visitors.

Grenada and St Kitts-Nevis, with increases of 31.6 per cent and 19.2 per cent respectively, had the highest increases in stay-over visitors. St Lucia, Antigua and Barbuda, and St Vincent and the Grenadines also had significant increases.

Antigua, Grenada and St Lucia were the main beneficiaries of the substantial growth in cruise ship business.

The United States remained the region's principal tourist market.

In agriculture, banana exports, mainly to Britain, were up 18.6 per cent in volume to reach 164,687 tonnes for the year. Earnings were EC172.2 million dollars, an increase of 35.5 per cent.

Bananas are the principal export commodity of the Windward Islands--Dominica, Grenada, St Vincent and the Grenadines, and St Lucia. The unit price in local currency averaged 1,066 dollars per tonne, about 15 per cent higher than the previous year's 910 dollars per tonne, when the average unit had fallen by five per cent, the ECCB report said.

The higher unit price reflects in part the appreciation of sterling relative to the EC dollar during 1985, it added.

Exports of Grenadian cocoa, nutmegs and mace showed substantial improvement and fetched higher prices. Amounts were not given.

The value of sugar, the OECS's other main export commodity, declined by 25 per cent, amid a 20 per cent drop in volume. Amounts were not given. St Kitts is the main OECS sugar producer.

Manufacturing output increased by a modest 1.2 per cent, spurred by domestic demand. Otherwise, the sector remained depressed as a result of trading problems within the Caribbean Community.

OECS exports for the year reached EC575 million dollars, an increase of 6.3 per cent on 1984, and imports rose by seven per cent to 1,523 million dollars, resulting in a visible trade deficit of 948 million dollars.

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CSO: 3298/047

BRAZIL

GUIMARAES ON PMDB, GOOD RAPPORT WITH SARNEY

PY011744 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Nov 86 p 9

["Text" of interview granted by PMDB President Deputy Ulysses Guimaraes after 15 November Elections to reporter Leda Flora in Brasilia--date not given]

[Excerpts] [Flora] How would you define the PMDB [Brazilian Democratic Mobilization Party] that won the 15 November elections?

[Guimaraes] I would say that it is a party deeply committed to the promises it made in the public plazas during the electoral campaign. Its fundamental commitment is to change; in the terms stated at rallies, meetings, and on radio and television. It is a party historically committed to change, a party that went out to struggle and change the authoritarian and dictatorial system for one of freedom. It has struggled for direct presidential elections, amnesty, a peaceful transition without blood and bullets, without orphans and widows. Many foreign politicians noted this fact at the proxy inauguration of Tancredo Neves.

I understand that the Brazilian society is unjust. Chronologically, we are older than the United States, but we have not yet reached the status of a great nation; one that cannot exist without developed people. There can be sectorial development, but if there is no harmonious development, we will never be a great nation. If we are going to be a social power, we also have to be a power in the economic, and agricultural area, as well as in other areas. This is the objective, the goal, the aim. The PMDB has made this commitment and it will have to discharge it, because, if it does not it will be devoured.

[Flora] What role did you play in these elections?

[Guimaraes] I played the same role that I have been playing since the foundation of the party. I was invited to go to all the states, because they understood that my presence at the rallies would make them more authentic, stronger. This was shown in the way I was received, in the respect they showed me. I always spoke at the end of the rallies. I think that I was like a notary public verifying that the PMDB is still the same, that its commitments are the same as always. My participation was like an affirmation of public recognition.

I was invited to tell the people that the party of today is the same party of yesterday and tomorrow; to attest that our ties are strong, that the PMDB is not divided or fragmented, and that the national president was there to represent it as a whole. I was like a notary public and a guarantor.

[Flora] Some politicians from the PMDB see that a cabinet reform should be the obvious consequence of the overwhelming victory of the PMDB. Do you share this opinion?

[Guimaraes] We have an alliance at the national level, and we do not want to have all the ministries. The Democratic Alliance elected deputies and senators. We have an alliance, and we must not undo it, unless a problem of honor and decorum comes up, which is not the case now. We have to preserve this majority to continue our program of change under the Sarney government. We do not intend to create difficulties for the government, which is our ally. The president is the judge and if he wants to make Cabinet changes, he will listen to us. We already have 15 ministries, and this is enough.

[Flora] Has the time come for the president to govern more in line with the PMDB propositions?

[Guimaraes] I believe that the president is governing in line with the PMDB propositions. The question to ask would be whether he will draw away from the PMDB. But what will he do then? We already have 15 ministries, I repeat, and the Cruzado Plan is addressing the problems of the most needy. It focuses on the problem of salary employment, buying power. All this brings the president very close to the PMDB. I feel that I even have a great personal affinity with him. In addition to our political relationships, we have a personal relationship. It should be recalled that President Sarney comes from a state that has been hard hit by all the problems of disparities in the standard of living of the people, of differences among the regions. I believe that he senses those problems within himself, that they are in his political outlook. This makes the president a good executor of the PMDB objectives and purposes.

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CSO: 3342/40

BRAZIL

JUSTICE MINISTER SPEAKS ON ILLEGAL VIOLENT DEMONSTRATIONS

PY292051 Rio de Janeiro Rede Globo Television in Portuguese 2233 GMT 28 Nov 86

[Address to the nation by Brazilian Justice Minister Paulo Brossard in Brasilia --live]

[Text] I am here to talk to Brazilians about the incidents that occurred yesterday in Brasilia. There were demonstrations in the Federal District to protest the economic measures that have been adopted by the government.

If a protest is expressed through more or less vehement criticism and objections and if a protest is more or less called for, there is nothing to condemn. Quite the contrary, criticism is useful when it is called for. But even when it is inexact and uncalled for to a certain extent it contributes to the truth. Therefore, we must clearly make a difference between criticism, opposition demonstrations, and protests, even vehement protests, and demonstrations, looting, plundering, and fires; in other words, illegal violent demonstrations.

After the demonstration was announced, it was reported that it was illegal. Why was it illegal? We must be very clear in all this. It was illegal because this was a public meeting. In Brazil, the right to hold meetings is guaranteed in the constitution as an individual's right. The exercise of this right is regulated by the law. This law, which was not issued yesterday but was enacted in 1950 and has been in force for 36 years, decrees that every year the government will establish the places where public meetings can be held. The law also establishes that all those who want to hold a public meeting must inform the authorities at least 24 hours ahead of time so that the authorities, including the police, may adopt the proper measures. This is to avoid two persons, or two political parties from holding simultaneous meetings in the same place, on the same day, and at the same time, something which obviously cannot be.

Well, the demonstration that was held yesterday, which by the way was held on the day our nation commemorates Thanksgiving, did not comply with the law. First, because none of the 33 places that have been designated by the Federal District authorities as proper places to hold public meetings or assemblies was selected to hold the demonstration.

I have here a resolution that was issued in August. This resolution indicates that just in Brasilia, just in the capital city, not in the suburban areas,

there are 33 authorized places to hold public rallies. Nevertheless, none of the 33 places was chosen by the demonstrators as the site for the rally. Moreover the authorities were not informed about the rally in any way whatsoever so they could adopt the necessary security measures.

The demonstrators chose the administrative center of the country to hold their rally. Thus, despite incurring two violations of the law, yesterday at a specific hour a crowd proceeded to march on Planalto Palace. Planalto Palace is a glass building; it has no walls, it has no gates, it has no grillwork. It houses the government of the republic, and it obviously is not the proper place to hold rallies, assemblies, demonstrations, or the like.

Well, despite the fact that the Brasilia Security Secretariat issued a warning about the enforcement of the law and the proper places for holding the rally, the demonstrators decided to violate the law and in so doing they violated the established legal order.

Now, I want to ask you a question, ladies and gentlemen: Will breaking the law lead us to democracy? By disrupting the legal order, are we contributing to the strengthening of our institutions? These are the first questions I would like to ask because wrongdoings usually result in consequences.

It is necessary to note, however, how everything started. Well, an attempt was made to stage a demonstration by marching to Planalto Palace, the office of the president of the Republic and the seat of the government, and to the ministries.

Ministries are places of work, not places where one may stage a demonstration. The law has established those places where demonstrations can be held: There are 33 such places in Brasilia.

Well, abuses and excesses started quickly. The national flag that is raised daily outside Congress was brought down and replaced by a puppet. Later, a flag was burned outside the Finance Ministry; that is, our national flag was desecrated in the name of a legitimate right to criticize, to protest, and to dissent.

I would like to ask my listeners whether actions of this type will contribute to the strengthening of democracy, whether they will contribute to the improvement of the functioning of the institutions. I would also like to ask this question: Who would be interested in breaking the laws, in undermining democracy, in weakening the institutions.

The next thing after the violation of the law and the disruption of legal order were the fires, looting, and destruction. Here I have today's newspapers, [Brossard shows papers]. For instance, CORREIO BRAZILIENSE says: Vandals occupy and loot the city. On the top of this page there is a picture showing some scenes of the brutal violence, including a fire that lit up the night. Here we have some buildings, some of them government offices, that were burned and destroyed. There were also vehicles that were burned and destroyed.

The newspaper JORNAL DO BRASIL carries this picture that is excellent and takes the upper half of the front page: Two burned cars here and another turned over and burned, and someone carrying a gas bottle nearby. My question, ladies and gentlemen, is whether all this can happen extemporaneously.

On its front page, the newspaper O GLOBO also carries pictures that are extremely illustrative: Someone jumping on a car to destroy it. Here you can see a car turned over, and here is another that is on its wheels burning. The O GLOBO headline reads: Demonstrations in Brasilia Provoke Riots. Funaro Accuses the Sole Central Organization of Workers [CUT].

On an inside page, O CORREIO BRAZILIENSE asks this question" Who is interested in promoting radicalization? O ESTADO DE SAO PAULO says: After a miserable day, there are many unanswered questions. The government wins the battle of Brasilia. JORNAL DA TARDE sums up everything with this headline: The Brasilia Riot.

Now, I would like to ask: What does all this have to do with the right to criticize, to censure, or to protest, which are legitimate rights guaranteed by the constitution? These actions represent formal, substantive, rue forms of denying each citizen the right to criticize, to assembly and to censure. They are also ways of denying democracy.

It is easy to identify among the demonstrators those who on 15 November sustained an overwhelming electoral defeat. Having failed in the election, they resorted to violence, looting, burning, and vandalism to support their ideas. This is the formal negation of democracy.

I have here with me an issue of the newspaper JORNAL DA BRASILIA that publishes a picture in which the Brazilian flag is shown torn and being carried away, and then the same flag being burnt. I ask you, ladies and gentlemen, if this has anything to do with the right to criticize, with the right to protest, with the right to disagree, with the right to censor? I also wonder if this is tantamount to exercising democracy and if in some way it contributes to the loyal functioning of the national institutions and their strengthening in national soil.

I have some pictures here with me. This one, for example, is a picture of the SHIS [Sociedade de Habitacoes de Interesse Social--Low Income Housing Society]. I believe this one here is even better. The SHIS is a system that finances housing for the low sectors, that finances popular housing. This is what remained of the building; not a single window remained unbroken, not a single piece of furniture survived the pillage.

I also have a picture of a Banco do Brasil office. It must be noted that the Banco do Brasil is not a government office. The Banco do Brasil is a national institution that is over 100 years old that belongs to all Brazilians. But despite this a Banco do Brasil office located here in Brasilia was destroyed, and this is all that was left of it. I ask you if this has anything to do with the right to criticize, with the exercise of democratic rights.

The Federal Savings Fund is another worthy institution that is over 100 years old. It is known as the bank of the poor. But as you see here, this is what was left of a Federal Savings Fund office in Brasilia.

I will not be able to finish this chat if I go through all the documents that I have on hand. But I have two pictures that are highly significant. Look at this one here, for example. Here at the top of the hill, you can see the ministry buildings in the background, there is a bus on fire. I ask you, ladies and gentlemen, if this can be done by merely striking a match, or if there is another explanation for all this.

Here you can see another picture taken at dusk of how the flames tragically illuminated the surroundings of the bus station.

Thirty-three vehicles were destroyed yesterday by savages, not by democrats; by rioters, not by dissidents; by arsonists, not by critics of the government. Twenty-seven of these 33 vehicles belonged to public enterprises; that is, to the Brazilian people. The remaining six vehicles belonged to individuals, who today perhaps did not have transportation to go to work. They probably had to work hard to buy these vehicles that were destroyed yesterday. No one can do anything like this in the name of democracy. This could be done in the name of anything, but not democracy.

The destruction of many stands and snack bars has put many Brazilians out of work. The owners of these establishments have been left without their place of work and without everything they had achieved through their work.

Also destroyed were offices of the Federal Savings Bank and of the Paraiba State Bank, the Israel Pinheiro Building, the Sonia Building, and telegraph and post offices. They were all devastated and looted.

Could all this have been done in the name of the right to criticize, to censure, and to protest? No, no.

An office of the Brazilian Foods Company located at the bus terminal was designed to serve the most needy sectors. It was burned to the ground. I could go on, but I do not believe it is necessary. I believe the cases I have mentioned are representative and will be instrumental in showing all Brazilians that there are people who do not want our democratic institutions to be strengthened, who do not want to exercise democracy, because they have started by violating the basic principles governing democratic coexistence.

We must consider, however, that even though these incidents occurred just yesterday, many things have been occurring, such as a wave of rumors: Gasoline stations will be closed, banks will be closed. The companies operating in the Stock Market were shaken by these rumors, and several finance ministers were dismissed.

Speaking of the finance minister, I would like to call attention to a fact I find particularly serious. A leading newspaper today textually said: Yesterday, Finance Minister Dilson Funaro left the Brasilia Cathedral amid strong booing, surrounded by soldiers and protected by tanks. He was crying.

Well, yesterday was Thanksgiving Day. The president of the republic, the justice minister, and the members of the diplomatic corps were at the cathedral. But Funaro was not in the cathedral. He did not attend the mass. He was unable to go to mass. Nevertheless, it was reported throughout Brazil that Finance Minister Funaro left the cathedral under heavy guard, surrounded by soldiers and protected by armored cars, and crying. What is this? Is it the intention to denigrate the image of the finance minister, who has received true expressions of gratitude for what he has been doing at the head of the Finance Ministry? But this news was disclosed today, despite the fact that the finance minister was not at the mass yesterday. I have no need to add anything else.

But it has also been reported that there was police repression. I ask you, ladies and gentlemen, can the government stand idly by while watching vandalism? Wouldn't the government be failing to comply with its duty if it ignored fires, looting, and vandalism? Isn't it the government's duty to defend society and workers from the harmful actions of criminals who are looting, setting fires, and stealing?

There are also reports about repression against the people. Brasilia has a population of 1.7 million, but the demonstrators ranged from 1,000 to 3,000. Let's even say there were 4,000 demonstrators. This is just a fraction of the orderly working people of Brasilia. But the fact is that these 2,000, 3,000, or 4,000 people were not responsible for the fires, the looting, and vandalism. There were groups within these demonstrators who were able to arm themselves because they are professional troublemakers and because they are professionals in creating chaos, as was reported today by a Sao Paulo newspaper.

It is the duty of the authorities to protect society. They cannot remain idle when confronted with such incidents. But then people say: But this is authoritarianism. No, this is not authoritarianism, it is acting with authority, within the framework of the law and limited by the law. This is not authoritarianism, it is not arbitrariness. It is acting with authority by those who are aware of their duties and who will fulfill their duties.

I believe I should be finishing and I will do so. But I would like to note before finishing that just when yesterday there were people on their knees thanking the Lord for all that He has bestowed upon us, for all the benefits that have been bestowed upon our country and upon us, some who were near the cathedral were looting, setting fires, and promoting vandalism, and they continued this behavior later.

This was a deplorable incident, a very deplorable incident. But it also was useful because it helped to show that there are certain individuals who are not able to coexist in a democracy, with its rules and with its guidelines. That thousands of people insulted the president is no argument. This does not lead to anything. Particularly, this does not help to strengthen national institutions.

But Brazilian society can rest assured that the government, which is headed by President Sarney, is firmly determined to safeguard the order and security of Brazilians in keeping with the law.

Finally, I would like to note here that since the inauguration of President Sarney, since the election of Tancredo Neves, we have made significant progress and have achieved gains in every respect. Today, Brazil is very different from the country of 2 years ago.

Well, I would like to ask then if events such as those of yesterday will somehow contribute to making us move ahead, or, as CORREIO BRAZILIENSE asked today, who would be interested in causing these problems? I would also like to ask the same question of my fellow countrymen, of all Brazilians who are now listening to me.

After having defeated major domestic economic problems and still having other problems to overcome, the whole country is now focusing its attention on the dramatic foreign debt issue. I would like to ask who would be interested in weakening the finance minister's position? Who would be interested in doing this? Could this be in the best interests of Brazil or of Brazilian society? Could it be in the interest of the Brazilian citizens, workers, or producers? Or is it in the best interest of someone, but not of Brazilians?

Brazil is waging a hard battle in the economic sector. Precisely at a time when economic problems must be addressed and solved, the finance minister is being placed under heavy fire, his dismissal is reported twice a day. Fires, lootings, and acts of destruction have taken place in the capital of Brazil. Could this help us find a good solution?

I want to close, ladies and gentlemen, by saying that President Sarney continues to have confidence in the patriotism and intelligence of the Brazilian people.

/12232

CSO: 3342/37

BRAZIL

EUROPEAN, U.S. FIRMS INTERESTED IN HELICOPTER PLANT

PY251604 Madrid EFE in Spanish 1546 GMT 23 Nov 86

[Text] Rio de Janeiro, 23 Nov (EFE)--British, French, Italian, U.S., and FRG aeronautics firms want to build a helicopter plant in Brazil with their Brazilian partners.

The enterprises are: Aerospatiale, France; Westland, Great Britain; Sikorsky, United States; Augusta, Italy; and Messerschmitt, the FRG.

All of them are interested in carrying out joint ventures with Brazilian capital.

The foreign interest in the Brazilian market is based on a project of the Armed Forces, which will reinforce their air fleet with the purchase of 180 helicopters between now and the year 2000.

According to business sources, the foreign firms also want to establish a beachhead in Brazil in order to sell their products to several Latin American countries.

Mauro Arruda, chairman of the Brazilian interministerial commission that is evaluating the possible construction of a helicopter plant in Brazil, has stated that the intention is to organize a national enterprise with a strong industrial base and experience in foreign trade.

After the organization of the joint venture enterprise, which will operate with Brazilian capital, the participation of foreign capital will be defined. This foreign capital will have a majority of the shares, but it will be subject to Brazilian control, both by the business sector and the government.

In accordance with what has been established by the Brazilian authorities, Brazilian industry will have 30 percent of the shares, foreign capital 40 percent, and the state 30 percent.

Brazil, which currently is the largest Latin American weapons manufacturer, manufactures, among others, the Tucano airplane. Great Britain has Tucanos as a part of its fleet of planes that are used for military training.

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CSO: 3342/40

BRAZIL

PROTOTYPE AMX FIGHTER TO BE READY BY JANUARY 1988

PY281402 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Nov 86 p 4

[Excerpts] The prototype of the training version of the subsonic AMX fighter-bomber, manufactured by an Italian-Brazilian consortium comprising Embraer (Brazilian Aeronautics Company), Aermacchi (Macchi Aeronautics), and Aeritalia (Italian Space Corporation), should be ready by January 1988. The development of this new model started in December 1985 and the project was finished in October 1986. The market-price has not yet been established, but it is estimated to be around \$10 million.

The basic idea is that the Brazilian Air Force (FAB) and the Italian Military Aeronautics (AMI) will buy 250 units of the AMX trainer. Both forces will use the fighter version of the AMX, and it is considered standard practice that buyers of fighter-planes will also buy the trainer version.

The international branch of the Embraer marketing department is already presenting sales brochures of both versions to potential clients who might be interested in the AMX fighter. Large scale production of the plane will begin in 1990 and the first deliveries will be made in 1991.

The AMX is a subsonic fighter-bomber with a cruising speed of 1,100 km/h and a range of 2,000 km. Its external equipment (extra tanks, missiles, bombs and rockets) weigh a total of 2.7 tons. Its selective external defenses, its digital computers, and its sophisticated ECM (electronic countermeasures) equipment guarantee the survival of the airplane in high-speed strafing attacks. The plane uses a Rolls Royce MK-807 "Spey" turbine. Thirty percent of the turbine components are manufactured by Celma in Rio de Janeiro, Brazil, and 70 percent in Italy.

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CSO: 3342/40

BRAZIL

LOCAL FIRMS TO SERVICE WESTLAND HELICOPTERS

PY281426 Paris AFP in Spanish 2327 GMT 27 Nov 86

[Text] Rio de Janeiro, 27 Nov (AFP)--Admiral John Treacher, the executive vice president of the British Westland company, today announced in Rio de Janeiro that two Brazilian companies will perform the maintenance and repair work of Westland helicopters that are operating in Brazil.

During a press conference, Adm Treacher added that during his visit to Brazil, which ended today, he signed separate contracts with the AEROMOT company, headquartered in the city of Porto Alegre, and the CELMA company, headquartered in the city of Petropolis, to perform this work.

In addition, Adm Treacher announced that a subsidiary of the British company, the Westland do Brasil company, has been established in Brazil to centralize all administrative operations in Brazil.

Adm Treacher also said that Westland do Brasil could be the embryo of a future Westland factory in Brazil within the framework of a Brazilian Government project to establish a Brazilian helicopter industry.

According to Adm Treacher, the British Rolls Royce company and the Brazilian CELMA company are negotiating to manufacture GEN helicopter turbines in Brazil.

The Lynx helicopters, which are manufactured by the Westland company, are operating aboard Brazilian Navy frigates.

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CSO: 3342/40

BRAZIL

EDITORIAL DENIES U.S. PROTECTIONISM CHARGES

PY261554 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Nov 86 p 2

[Editorial: "Charges of Protectionism"]

[Text] In charging that Brazil is the most protectionist country outside the Communist Bloc, a report prepared by the Office of the United States Trade Representative Clayton Yeutter used false arguments that can only be explained in light of the great concern being raised by the high U.S. budgetary and trade deficits. The number and type of commercial barriers erected by a country do not reflect the scope of the restrictions it imposes or the impact of these restrictions on world trade.

The absurdity of that argument becomes obvious when it is noted that the effect of a single barrier on a product that is important in international trade can be much more detrimental than a number of barriers erected against goods and services that have only slight importance in world trade. This strictly quantitative argument, therefore, cannot be sustained, and the simple enumeration of protectionist measures has no significance.

As the number of commercial restrictions imposed not only by Brazil but also by other U.S. trade partners increases, difficulties in selling U.S. products on the international market will also increase. In addition to macroeconomic imbalances resulting from large U.S. budgetary deficits, U.S. participation in world trade has decreased in terms of export volume from 12.5 percent in 1973 to 10.7 percent in 1985; and it has increased in terms of import volume from 12.4 percent in 1973 to 17.3 percent in 1985.

U.S. problems in the area of foreign trade do not justify the false arguments used in the report issued by the Office of the United States Trade Representative. According to this report, the fact that a country like Brazil, which represents the world's eighth largest economy, has an import-to-GDP ratio of 3 percent, excluding oil imports, is unjustifiable.

This ratio cannot be used as a yardstick to measure the degree of a country's protectionism. It cannot be used as a yardstick because the more diversified the productive basis of an economy, especially considering its geographic size and its internal mineral and agricultural resources, the less its need to import will be. Comparisons with other countries are improper and lead to distorted conclusions.

Admittedly, the United States can demand that some commercial restrictions that hinder free trade be eliminated. But the solution that world free trade requires cannot be found with faulty arguments. More than the result of an economic evaluation, the conclusions of the Yeutter report seem to reflect commercial interests and veiled threats of retaliation.

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BRAZIL

BRIEFS

CHAMBER ENDS 'INTRAPARTY SUBGROUP'--The Chamber of Deputies on 25 November, during the "extra long sessions" that the Chamber has started to "clear up" its backlog, approved the demise of the "intraparty subgroup" in elections for mayor and senator. But the measure may not be implemented, because the Constituent Assembly, which starts sessions in February 1987, must debate and approve the new rules that will govern future elections (in 1988 for mayors and in 1990 for senators). The Chamber also approved 19 other bills. The PDS [Social Democratic Party] had promised to obstruct the sessions, but it backed down and agreed to approve yesterday's bills and 14 other bills that will be debated in today's session. Of all the bills that were approved today, the demise of the "intraparty subgroup" was the only important bill that was debated. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Nov 86 p A-8 PY] /6662

CSO: 3342/40

CHILE

PINOCHET CALLS OPPOSITION DIALOGUE 'SELF-SERVING'

Santiago EL MERCURIO in Spanish 16 Oct 86 p C-1

[Text] The president of the republic, Gen Augusto Pinochet, declared yesterday that the events that have taken place since the attack on him last September have confused the political opposition. As a result, its leaders have proposed a dialogue in which they intend merely to advance their own ideas. He argued that they were trying to impose this position on the government, as if the latter were in a weak position. In fact, he pointed out, it is the opposition that is really in dire straits.

The chief of state made these statements during a luncheon given in the Arturo Prat Room of the Club de La Union to honor the Glories of the Army. Also present were the defense minister, Vice-Adm Patricio Carvajal; the vice-commander in chief of the Army, Lt Gen Santiago Sinclair; and members of the Council of State, among other officials.

In his talk, President Pinochet recalled the terrorist action against him, which cost the lives of five escorts. He pointed out that the event was followed by a massive show of citizen support for the government on 11 September, the Te Deum of National Day, and later Chilean participation in the United Nations and contacts with financial organizations, all activities which had an impact on opposition sectors.

Then he went on to discuss the attacks in general, describing them as acts carried out in two parts: a planning stage and an execution stage. He thus alluded to suspicions he claimed to have that some political leaders had been aware of the attack against him.

He explained that the confusion observed in the opposition after these events had led its leaders to put their heads together to devise an appropriate reaction. The formula they found was to ask for a dialogue, in which they intended to impose their own dictates without considering the government's ideas.

He commented later on the intention of some sectors of modifying the Constitution, pointing out that if they pursued such measures, it was to avoid clearly established rules of participation which did not serve their interests.

He indicated that they also wanted to change the system for naming the president of the republic and the members of congress, proposing a larger number of the latter. In this regard, he contended that he had not been nominated to run, and that what really had validity was what the people had decided in 1980: that the Constitution should be enforced.

Free Elections

He explained that if the people do not accept the candidate named by the Armed Forces in 1989, after a year there will be free elections and congressional elections. In other words, he added, what the opposition wants to impose precipitously is already provided in the Constitution.

The president also discussed comments by opposition groups to the effect that if the candidate named by the Armed Forces was not elected, the Armed Forces would be embarrassed. He categorically rejected that possibility.

Along other lines, the chief of state stressed the latent threat of terrorism which came to the surface with the discovery of the arsenals. He said he was certain that other caches of arms and explosives exist as well.

He stated that the relative tranquility of the country, altered only by isolated attacks, should be interpreted as the way the communists are dealing with the blow signified by the discovery of the subversive arsenals. He explained that the terrorists are now hiding underground, waiting for Security to "let down its guard" so that they can act again.

In the economic sphere, he stated that after the worldwide recession, the country is recovering, but not so quickly that it could be called a "boom," just normally and steadily.

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CSO: 3348/94

CHILE

'BEHIND THE SCENES' TENSIONS BETWEEN PINOCHET, JUNTA DISCLOSED

Santiago HOY in Spanish 20-26 Oct 86 pp 6-8

[Article by Ascanio Cavallo]

[Text] When Interior Minister Ricardo Garcia Rodriguez emerged from La Moneda at 1000 hours last 14 March and crossed the 200 meters that separate his ministry from the Defense Ministry, he had a specific mission and many general concerns. He told journalists he was on a "courtesy visit."

In the halls of his own ministry, however, the story was different. For example, some said that by that afternoon a joint declaration would be issued by the chief of the cabinet and the members of the Junta on the topic of the dialogue. This would be an unusual event, a kind of declaration of agreement between the executive and legislative branches, aimed at clearing up once and for all what has been for many--even within the government--one of the most confusing periods in recent times.

Nothing of the sort happened.

That afternoon, however, when the regular Tuesday session ended in the Diego Portales Building, the Junta filed out of the conference room and faced the press, as planned, in an orderly fashion. Adm Jose Toribio Merino, at the head of the group, stated that "the power to negotiate lies with the executive," but that he could talk to politicians "because I have the right to talk to anyone I want." Gen Fernando Matthei, second in line, supported the idea that conversations should be held with the Interior Ministry, while other talks with the commanders in chief "are entirely possible and desirable."

The director of the Carabineros, Gen Rodolfo Stange, and the representative of the commander in chief of the Army in the Junta, Lt Gen Julio Canessa, stood behind the others remained silent. And this was no coincidence.

What really happened?

Meetings

As sources at the Interior Ministry had said, Garcia Rodriguez' visit to the Junta was for the purpose of issuing a joint, formal pronouncement.

The obvious disagreement between President Augusto Pinochet and the Junta on the dialogue with the opposition and its specific content had to be finally resolved in the name of higher interests. The minister is convinced that his solution is appropriate and safe. As he said at that meeting, the solution requires that there be no friction between the president and the legislative branch.

The minister asked that his points of view be considered and that the Junta make a clear differentiation between the political aspects of the dialogue and the institutional aspects.

Lt Gen Canessa was present during that entire part of the conversation. But at 1100 hours he had to leave, and then a second part began. Then the statements the Junta would make in the afternoon were discussed, but the commanders in chief also rejected the idea of a joint declaration as inappropriate. They cited two reasons: first, because there really is disagreement and it cannot be eliminated with a simple text; and second, because if such a distinction were to be made, then there would be all the more reason to take separate action.

Before going to the legislative session at 1600 hours, Merino, Matthei, and Stange resolved to meet, this time just the three of them. There they decided how they would speak and what they would say. They decided, for example, that Gen Stange would remain silent; at the time, the Carabineros were holding their meetings to assess the high command, and they did not want any political interference in that process.

After his words, there was a feeling of confusion among the opposition. Some saw a "retreat," others expressed "surprise," while still others rejected any "benevolent" interpretation.

To clear up the tangle of speculation and reinterpretation, it is worth recalling an old lesson of history: There is not a single example of an authoritarian regime--no matter what its persuasion--which likes to air its disagreements, which does not suppress them, and which does not use a kind of doubletalk for that purpose.

In the case at hand, it is also worth reviewing the sequence of events.

Another Route

It is certain that the matter of the dialogue with the opposition began to be debated in various elements of the Armed Forces a long time ago. Contrary to what some people thought, the attack on Pinochet in early September did not cancel that debate; it intensified it. The time seemed right for seeking broader consensus precisely because the issue of terrorism had taken on new relevance and the opposition had separated its strategies and projects.

Pinochet did not opt for that route. On the contrary, he showed signs of wanting to "harden the iron fist," and--especially with the support rally 2

days after the attack--he demonstrated a desire to seize the moment to put forth his strategy of "projecting" the regime.

In September, with no apparent connection, the various branches of the Armed Forces studied the situation separately. Three of them (the Navy, the Air Force, and the Carabineros) reached the conclusion that a dialogue was more necessary now than ever. In all cases, it was a corporate opinion, expressed by the high commands upon consultation with their commanders in chief.

After the three branches realized that they were in agreement, they told Pinochet. It is so obvious that he rejected the idea, that he kept opposition leaders in prison during the critical weeks.

Attempts

It is also obvious that the proposal made by the commanders in chief placed him in a position in which he needed more room to maneuver. It was because of that concern that he reorganized the high command of the Army, and in particular replaced Canessa with Lt Gen Humberto Gordon on the Junta (HOY No. 482).

By express prior agreement, however, Adm Merino spoke of the dialogue. Gen Matthei supported him right away, and mentioned the constitutional reforms as a central issue. Stange approved that.

The executive branch's first attempt to respond to this situation was Minister Francisco Javier Cuadra's statement laying down conditions for the individuals who would be involved. The second attempt was Pinochet's letter to his interior minister laying down conditions for the agenda: law on parties and suffrage. The third one was the private conversation in which Pinochet reproached Matthei for publicly expressing disagreement.

But all the pressure exerted on the Junta did not have the expected results, precisely because the latter based its actions on institutional decisions and on a persuasive effort that had begun considerably earlier. The heart of the matter is that the Junta, as Merino announced back in March, believes that some constitutional reforms are necessary and proposes to begin the debate on them immediately. Pinochet is reluctant to accept any reforms, but he is particularly opposed to any discussion of them now.

On Friday the 10th, the president tried to brush aside the disagreement by asserting that the commanders in chief "have not said anything new."

On Tuesday the 14th, Minister Garcia was supposed to go to the Junta to request that it eliminate the friction. And what the Junta issued, to put it succinctly, was a dual affirmation: that the political dialogue is up to the executive branch (which also has a double meaning: that this is its purview, but also that it has an obligation to initiate the dialogue), and that the legislative branch will hold talks no matter what. And not "about when the sun will come out, because that would be a waste of time" (Merino), but about the issues that fall within its own purview. The Constitution, for example? The schedule? Or some political laws which, according to a decision adopted

last week, should be eliminated during the present legislative session, that is, before 15 January 1987?

This is the sequence of events.

A Concept

On Wednesday the 15th, Pinochet decided that his usual cabinet meeting would be attended by the Junta. In principle, the heads of the legislative branch were not happy with the idea; only 24 hours earlier they had been asked to settle a controversy by delineating the respective areas of competence.

At any rate, with the exception of Merino (who went to Valparaiso), they came. The budget law for the next year (with the severe impact of the structural adjustment loan that must be discussed soon with the World Bank), the measures that will be taken to combat terrorist acts, and especially the matter of the dialogue, were all on the agenda.

Pinochet's long speech dealt with an idea that had already been expressed the previous Friday: that the very concept of "dialogue" is used politically to put pressure on the government in order to appear altruistic while hiding destabilizing motives.

He said that there are people in the government itself, and in the Junta, who have been deceived by the opposition--he used less academic terms--and that the whole rejection of violent methods is just a tactic, not a matter of principle.

He also developed a theory: Everything that has been said on the need to reform the Constitution is aimed not at respecting the 1989 deadline or establishing an orderly transition, but rather at violating the government's wishes. He added that the talk of reform was aimed at overthrowing him in 1987.

He cited as an example the Democratic Alliance's refusal to engage in dialogue on the parties law, explaining that this demonstrated that they did not want to talk about current institutions, but about replacing him.

Adjustment Credit

On the other hand, there was no mention of the state of siege, which the government had been thinking of ending soon.

This is an important issue.

A few weeks ago, Pinochet sent secret communications to members of the Junta and the Army indicating that if the international pressure took the form of economic pressure, which could affect the loans, the government would have to take severe internal political measures. Then there would indeed be an iron fist.

Shortly after the communication was sent, Minister Cuadra repeated this idea in public, and Pinochet himself repeated it at his press conference on Friday the 10th. "It will depend on how intense (the pressures) are," he said.

For now, the regime is measuring the "intensity" of the structural adjustment loan from the World Bank, which could set in motion a "domino effect" in terms of the confidence of foreign banks and other multilateral organizations. The long duration of the state of siege, however, has been cited by foreign governments (especially that of the United States) as an unfavorable element for the approval of the credit. The "hardline" sectors of the government point out, in turn, that the state of siege should not be lifted until the international decisions are announced.

This leads to a dead end. A self-fulfilling prophesy? For the Junta, the government's calls for dialogue are inconsistent with the state of siege. But even so, in the three branches of the military, teams of advisers have been working for 2 weeks drawing up the lists of political leaders who could be invited, or allowed to attend if they so request. The lists, according to the advisers, will be finalized next week.

"Clear to Me"

Wednesday afternoon, hours after the expanded cabinet session, Pinochet attended a luncheon given in the Arturo Prat Room of the Club de La Union. There he crudely expressed his ideas on the current situation in extemporaneous remarks.

He said that "at this time there is widespread tranquility because the violence-prone groups have gone underground, waiting for us to grow tired and lower our guard, so that they can act again." He expressed the opinion that after the discovery of the arsenals and the attack on him, things changed for the opposition: "That contrary bunch should have been more concerned about national problems and less anxious to put on the presidential sash; I might give it to them tomorrow."

He added that "opposition politicians were thrown off balance, so they invented the famous dialogue," and that they want to change the Constitution "for many things."

"For me," he explained, "the problem is very clear: The Constitution is enforced. I go by what the people approved in 1980, a constitution which sets forth the mechanisms for a transition; but if the people do not want it, then they can vote no, gentlemen, and if they vote now, there are free elections within a year . . ."

Pinochet's off-the-cuff remarks revealed his underlying objectives in the conflict within the regime. First, because it was the commanders in chief who talked about dialogue; second, because they have also put the matter of constitutional reforms on the table; and third, because the argument of the Constitution approved by the people is destroyed by the fact that Pinochet himself proposed reforms in 1983, and since then he has tried to introduce marginal mechanisms in it, such as direct consultations.

By the morning of Thursday the 16th, other problems had taken first place in the executive's concerns. For example, the mysterious trip by Undersecretary of Defense for Inter-American Affairs Nestor Sanchez, who passed through Santiago in silence and had no contact with the government (see box). Pinochet, who had considered Sanchez "a friend" in the Reagan Administration, wanted to determine whether the high-ranking U.S. official's visit constituted a "slight" against the government, given that no official meeting was scheduled.

On Friday, Minister Garcia began his round of talks with pro-government politicians on the laws on political parties and suffrage.

According to his own plans, these talks should not last longer than 45 days, and will include professors, academics, political scientists, and leaders of the parties that have remained close to the Interior Ministry.

The truth is that the minister and the members of the Junta knew in advance that this dialogue would be difficult for the opposition to accept. Garcia Rodriguez forged ahead anyway, arguing that "the framework is one of absolute logic" and calling on AD to reconsider its position.

Given that Pinochet said just the opposite, how can anyone expect people not to be confused? Sometimes confusion is not a result, but a method. Another method--contrary and trite--is simply not to be confused.

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CHILE

GENERAL DISCUSSES POLITICAL SITUATION, PINOCHET

Santiago COSAS in Spanish 30 Oct 86 pp 8-10

[Interview with Gen Jorge Ballerino by Elinor Comandari, in Madrid; date and time not given]

[Excerpts] He admits to being very introverted; he prefers to listen rather than being the center of attention. The underlying principles of the military, duty, love of country, and honor, have been ingrained in him.

He is a mixture of tremendous generosity and strong will that became apparent when he suffered a serious accident which left him on his back for many months. When the resources of science were exhausted, it was his resolve that enabled him to regain his mobility and all his functions. His life is an example of discipline: Every morning he gets up at dawn, plays golf, and jogs for 20 minutes. As he himself says, he doesn't even work up a sweat, while his children have trouble keeping pace with him. Among the various assignments he has had, he has special memories of his years as an instructor at the Military Academy.

"It was a rewarding experience," he says. "It is very fulfilling to get those conscripts who are still practically children, and to train and guide them." During his 10 years of work alongside the president of the republic, first as an aide de camp and then as chief of the Military House, he has been of inestimable value, and he has fond memories and amusing anecdotes about those years.

[Question] Did you expect to be promoted to general? Aren't you young for that distinction?

[Answer] Promotions do not depend on age, but rather on seniority. Attaining the rank of general is a logical aspiration, and I was among those eligible.

[Question] Has your mission in Spain had any influence on this promotion?

[Answer] Everything has an influence on promotions, from the very beginning of one's career throughout one's professional life. One's family, one's wife, all aspects are analyzed, and I think that is appropriate.

[Question] How do you view your performance in this country, which is controversial for the present Chilean Government?

[Answer] There are two very different points in this regard. On the one hand, there is my contact with the Spanish Armed Forces, which is really great. There have been no problems in this contact. From the human point of view it is excellent, and the affection the Spanish Army has for its Chilean counterpart facilitates a lot of things. The relations I have had here and the friendships I have made are truly extraordinary. The conflict lies in the tremendous disinformation campaign that has taken place.

[Question] Would you say that it is disinformation, or distorted information?

[Answer] Both. There is poor information, and there is slanted information. Unfortunately, that causes damage and hurt, and the worst aspect is the feeling of impotence, inability to change these things. Hardly anything can be done, except to talk to people personally to try to contradict the lies or tell the real truth.

Politics and Military

[Question] The Chileans have always been proud of their Armed Forces. Do you believe that the experience with this government has tarnished the military's image?

[Answer] No. The image of the Armed Forces has not been tarnished. There has been an effort--and the Army should always be grateful to the president of the republic for this--to prevent the military from becoming politicized. I think this is unique among countries with military regimes, because the Armed Forces have preserved their strictly professional nature.

[Question] Do you think that once democracy is restored, the military will confine itself to its professional functions, or will it intervene every time there is any difficulty in the constitutional government?

[Answer] Things cannot return to the way they were before 1973, because the Armed Forces were totally excluded, and it is unimaginable for such important institutions to be kept on the sidelines in society. Much of that stemmed from a mutual unfamiliarity between the civilian and military sectors. Of course the Armed Forces will have something to say, and will contribute in areas that are relevant to the country. An effort is being made to safeguard this through the Constitution. But this does not mean that the military has become politicized or will do so, or will intervene every time there is a problem. I will explain to you very simply how we differed from other countries. There, to make a decision, the representative of the Army had to call in all the generals and take a vote. Those generals would continue the consultation on down the ranks; I am talking about political decisions. Consequently, it was obvious that this institution had become a political party. That has never existed in Chile. Some officers have participated in the government, but they have had specific functions and they have returned to their strictly professional functions later, and that's that. None of the institutions of the Armed Forces has ever been consulted as a political party

to see if it was in agreement; that is the major difference between us and other countries where the military is in power. We have maintained our institutional character within the role that has been assigned to us, and that is the best guarantee for the country, now and forever.

[Question] Would you say that the Armed Forces would like to return to their barracks and to their exclusively institutional functions?

[Answer] The Armed Forces want to return to the barracks to the extent that the goals and objectives which they laid down when they intervened are achieved. That cannot be a parenthetical issue; drastic changes must be made in the structures of the country to prevent a repetition of the events that led up to 11 September 1973.

[Question] What is your assessment of the situation after all these years of government?

[Answer] I think that if we set aside petty criticisms, which for one reason or another do not recognize any accomplishments, the country has undergone a truly profound change.

[Question] Do you think we are in a position to enter a full democracy?

[Answer] We will be as the remaining stages are completed. This institutional calendar envisions graduated stages leading up to absolute normality. Then the country will be ready to enter this new democracy, and it will be much stronger. As our ambassador to King Juan Carlos said, the fewer obstacles are placed in our way, the more quickly and easily we will progress.

[Question] What is the real situation with regard to the infiltration of the Armed Forces?

[Answer] I think that is a manipulation of disinformation to undermine confidence within the Army, an attempt to create a rift in the Armed Forces. The truth is completely different: I have had an opportunity to talk recently with young officers, and the attitude within the Army--and that is the area I'm qualified to talk about--is one of absolute unity. There is not the slightest doubt that we are doing the right thing.

Future of Government

[Question] What future do you see for the regime of President Pinochet?

[Answer] The principles which form the underpinnings of the regime should definitely be carried into the future. It is important to do this so that the country can live in harmony and progress. These principles have been upheld in the political, economic, and social spheres. As for the economic part, it is a good idea for Chileans to know what the situation is in the rest of the world. I can tell you from experience that in comparison with other countries, we came out ahead. The economic policy is yielding excellent results, and that is corroborated by people who really know this field. Our country is in a substantially better situation than many other nations.

[Question] When you talk about a new democracy, that implies a change in Chileans' mentality. Do you think that change has taken place, or are the same vices still there?

[Answer] I would say that there has been a change in mentality. It may be that there has been no renewal of political leaders, and in that regard, it is probably for the better. But I think that Chileans' mentality has changed absolutely. The country is completely different; it has a different vision, a different mentality. The process of decentralization alone has brought about changes of incalculable value; now the regions can draw up and implement their own projects. Before everything was decided in Santiago, and now they make their own decisions and have their own budgets. That is something very significant for the regions. This is why the president enjoys such tremendous support, which is manifested whenever he travels. The most conflict is in Santiago as far as detractors are concerned, and I often think that the area is limited to a few blocks around La Moneda, rather than a widespread phenomenon. Although I left Chile over a year ago and I am not completely up to date, there are many leadership problems, not just in politics, but in the unions as well. Some organizations and institutions have very pompous names, and there is no one behind the facade. Furthermore, it is an old trick of the Marxists to increase this kind of organization to give the impression that they control all these sectors, when they really do not. According to the information I have, the participation of the sectors who were supposed to join in the strike that was called, judging by the representativeness they claimed, was nil--except for the violence by minority groups. At no time was there any paralyzation of activity, and these leaders now recognize that their strategy was a failure.

[Question] From your vantage point in Spain, what do you think Chile's image is abroad?

[Answer] Very bad. I would say that three factors are influencing this situation the most. One is the fact that the mass media report only bad news. In more than a year here, I have not seen a single positive story about Chile. Absolutely nothing is ever recognized, and there will never be anything good. Even tragedies like the earthquake and the floods are hushed up so that there will be no feelings of solidarity. In the second place, there is the problem of the political internationals, which all oppose our system of government. Chile does not presume to export its solutions anywhere, but at the same time, we will not tolerate any foreign solutions being imposed in our country. Nevertheless, these internationals believe that Chile is setting a bad example. The fact that we are managing to solve our problems, while theirs remain insolvent, is something that must be hushed up. In the third place, there is the role certain Chilean citizens have played in their trips abroad: The things they tell, the picture they paint, whether for their own benefit or that of their party, is very different from the reality.

[Question] Our country's image has deteriorated with the passage of time, as countries like the United States now also oppose the current government . . .

[Answer] It undoubtedly has to deteriorate, not because things have gotten worse, but because these campaigns compound each other to form an increasingly bad opinion. As for the United States, I will tell you that the problem lies primarily with the actions taken by certain political currents in the U.S. Congress: There are intervening interests that do not favor us at this time. I remember when someone asked President Pinochet why he did not spend money to improve his image. He replied that he preferred spending those billions of dollars to build houses, hospitals, and schools, to try to change the distorted image, and that it would take more money than we could afford to respond to the offensive against us.

[Question] Do you think that any changes have taken place since the attack on President Pinochet?

[Answer] I will answer that on the basis of what I have heard second-hand, to the effect that at the national level a major turnabout has occurred. At the international level, it is hard to say, because in the specific case of Spain, there has been practically no information on the matter. The discovery of the arsenals and the attack on the president were given very little news coverage, so it appears that there have been no repercussions.

[Question] What is your view of the problem of international terrorism?

[Answer] It is very serious, but until countries and their governments become convinced that the problem of terrorism must be attacked at the roots--going to where terrorists are trained and supported, to where they are supplied with arms--it will do no good to combat terrorism per se. For every terrorist they discover or kill, 10 or 20 are being trained in other places. I would like to say that until measures are taken against the real promoters of terrorism, it will be impossible to put an end to this scourge of the 20th century. Countries must unite and take steps to isolate those countries which promote this kind of murder.

[Question] And in Chile's case?

[Answer] Terrorism is a Marxist formula to win power, and in our country the democratic parties must realize this. The only ones who gain from these temporary alliances are the Communist Party and the Marxists. When the time comes for one of these parties to govern, you can rest assured that terrorism will not cease; it will be worse yet. They contend that they exist to achieve democracy, but that is absolutely false. You have only to look at what is happening in the world: the attacks on President Reagan and the Pope, what is happening in France and here in Spain. There are constant attacks on public figures, and there is a veritable psychosis; everyone is waiting for the next terrorist blow.

[Question] President Pinochet has just declared that he will engage in dialogue with the moderate parties. What, in your opinion, is the reason for this change in attitude?

[Answer] The president has always been willing to engage in dialogue, but the problem is that it is impossible to do that when he is not recognized as an

interlocutor for dialogue. When the opposition laid down its first condition for beginning talks, that the other partner in dialogue had to leave, it was naturally impossible to establish any communication. The president has always been willing to engage in dialogue, on the conditions we all know, the minimal ones. Neither he nor the Armed Forces can be expected to talk with the Communist Party, because we will never do that, not now, not tomorrow, not ever.

[Question] In other words, the change has taken place within the political parties?

[Answer] They have recognized a fact that is immutable, and they have taken the wisest path. Unfortunately, they have taken too long to do so; it appears from what I have read that they have undergone a kind of self-criticism. They themselves recognize that their strategy is erroneous and out of touch with reality. For any dialogue, it is necessary to know what the situation is and to adjust to it; the facts cannot be changed.

President's Personality

[Question] What does President Pinochet represent for you? What was it like working at his side?

[Answer] It was the most enriching experience I have had. He is a very sensitive person, more so than most people think. Working with him is really pleasant; he is a man who listens for a long time before making a decision. I worked very closely with him, and some people are deceived into thinking that President Pinochet is uninformed, that he makes decisions without analyzing them. That is not so; he talks with many, many people from different schools of thought, and only after the matter at hand is absolutely clear to him does he make a decision. What is true is that once he makes that decision, he sticks to it with an iron will.

[Question] Is he very rigid?

[Answer] No, he is not rigid. You can see that some things have been changed, but he has to be convinced that change is really necessary.

[Question] People in power are usually isolated from reality; there is a filter around them. Has that happened to the president?

[Answer] In this case, no. He has a lot more contact than people think. He talks to a lot of people; he is very well informed. This government has followed a different system: The president tours the country, visits the regions, goes into people's homes, inspects factories, talks to the workers. He also has an incredible knowledge of the Chilean people. In addition to being very enthusiastic about his work, he does not allow any problems he may have to interfere with his relations with the people around him. He is always interested in others, in the problems they have, and that is why everyone who knows him loves him.

[Question] What does President Pinochet represent for you?

[Answer] My contact with the president has been very enriching for me. I am touched by his tremendous affection for Chile; it is very difficult to express. And when he talks about being willing to do anything, he is right. I wouldn't wish his life on anyone. The obligations of his office have led him to drop almost everything related to his family. He is constantly worried about the problems derived from the work he is doing. He works from 0500 to 2400 hours, when he goes to bed. But even at home he keeps working, the documents keep arriving, problems need solving. His only entertainment is an occasional movie.

[Question] What is his best quality, in your opinion?

[Answer] I would say that his human virtue is his warmth, his noble spirit, his loyalty to people. I would even say that his loyalty has caused him problems. People have not paid him back in the same currency.

[Question] And what is his weakness?

[Answer] He is strongly affected by the unkind remarks about his family, and that hurts him deeply. I would say that just as he is extremely loyal, he is extremely hurt by disloyalty.

[Question] Was it hard for you to leave your post at the Military House?

[Answer] Yes, because it was an exceptional job, a fascinating one. But I think that everything has its time; from the health standpoint, it was good for me to leave that job. The chief of the Military House is in charge of all the systems that surround the president: the security system, the medical system, the meetings, all the president's correspondence. He has to act as a kind of screen in some situations, and has to be aware enough to pick up on what is most important. He also has to deal with those human situations in which a single phone call can solve a problem, and these are vital to people. There is a lot of stress involved in this job, but also tremendous satisfaction in being able to help those in need. During those years, I saw moving cases like those of children who would die without a certain cure, and it was within our power to provide it. Sometimes the president would take money out of his own pocket to alleviate tragic situations. He is a very sentimental man, and these things move him deeply.

[Question] To conclude, how do you feel about being made a general recently?

[Answer] I have a lot of feelings: immense joy, pride, gratitude to the many people who made this possible, and above all, responsibility. Responsibility for ensuring that the principles which have made our institution great are maintained and inculcated, and are not threatened in any way. As long as the three principles of Duty, Honor, and Country are maintained, the Army will be impenetrable to any infiltration.

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CHILE

INTERIOR MINISTER SAYS PARTIES LAW TO BE ENACTED IN MARCH

Santiago EL MERCURIO in Spanish 18 Oct 86 pp A-1, A-12

[Text] Comments must be submitted soon on the proposed Law on Political Parties and Law on Voting and Elections, because the government wants to send these matters to the legislative branch by the end of next month so that it can take action on them. In this way, the laws should be enacted by March 1987.

This information was provided yesterday by the president of the Social Christian Movement, Juan de Dios Carmona, who reported what he had been told by Interior Minister Ricardo Garcia. Garcia began his talks with leaders and representatives of various groups in La Moneda Palace to listen to their opinions and contributions on these legislative matters.

The minister also met with Radical Democratic leaders, headed by Jaime Tormo.

Also present at the government headquarters were Ambassador Enrique Bernstein, and academic and former Chilean Ambassador to the United States Sergio Gutierrez Olivos. They both expressed their support for this government initiative.

In addition, the president of the Confederation of Production and Commerce, Manuel Feliu, attended the talks and also voiced his favorable views.

At 1100 hours Juan de Dios Carmona and the leaders of the Social Christian Movement, William Thayer, Blanca Retamal, Manuel Rodriguez, Leonel Bravo, Jorge Santibanez, Gerardo Cabello, and Arnoldo Guerrero, arrived at La Moneda.

"It was a very positive and constructive meeting, because the minister explained to us why it is appropriate to make a final study of the proposed law on political parties. He told us that the government is interested in taking care of this legislation within the timeframe established by the president of the republic for its promulgation: by March 1987 at the latest," said Carmona at the end of the meeting.

He explained that his group will make a final review of these bills, and that it has made and will make some comments on the regional parties, the number of members, and the term.

"These things can be resolved, and we can reach a harmonious solution to facilitate the formation of political parties and begin a period of normalization," he said.

Carmona added that suitable regulations have been proposed so that the parties "will understand that we are in a presidential system, because we have noted some dissonance between closed, dogmatic parties which are oriented toward the system of parliamentary parties practiced in Western Europe, and those of the presidential system."

"We advocate parties which are more open to national opinion and which do not use party orders so much to hem people in. We want parties that serve the human individual. We believe that there should be great pluralism within the parties," he stated.

With regard to the draft law on voting and elections, a copy of which was distributed by the minister, he indicated that this legislation is of great importance to his movement, given that it regulates the voting for single candidates in elections and plebiscites.

When asked about the bishops' appeal for a wide-ranging dialogue, Carmona responded that "the talks which the interior minister has initiated and the people's willingness to discuss these specific issues are necessary precedents for a subsequent dialogue under the appropriate conditions and on broader topics. The dialogue must be carried out with the appropriate parties. People who claim they want to engage in dialogue cannot state in advance, 'I want to leave the government out and hold talks with only the ones I propose.' I think the situation should be standardized and regulated."

"Talking about the political parties first opens up this possibility a great deal, and we hail this initiative by the interior minister as a direct initial step toward facilitating a dialogue and a future understanding," he added.

He also indicated that on this occasion, the representatives of the National Labor Front were also present, and they agree with these points of view.

"Some may say that only the organizations which are run by the government, are part of it, or are in agreement with it, will come to this. We are Chileans who are concerned about the country's fate, and we believe it is our duty as Chileans to cooperate. We are not part of the government, we do not have government posts, and we may disagree with some details of what is being done; but we believe that it is the duty of all Chileans to facilitate the government's task when it initiates a stage which could lead us to a much broader understanding in the future," he explained.

As for whether there is any difference between this and the dialogue held when Sergio Onofre Jarpa was interior minister, Carmona pointed out that that was a different kind of conversation, a different stage. Lessons should be learned from that experience "so that we do not repeat the same mistakes, such as making prior demands."

Finally, he contended that the attitude of the Democratic Alliance in not accepting these talks does not slow down the transition process, but does make it more difficult.

In the afternoon, Minister Garcia spoke for more than an hour with Radical Democratic leaders, headed by Jaime Tormo. Also present were Julio Duran, Rafael Otero, Edwin Lathrop, and Jose Edwards.

Tormo recalled that at the end of last year a similar visit had taken place, in which they talked about the Voter Registration Law. "Many did not believe that it would be enacted into law, but we believed in it, we cooperated and submitted our comments and ideas about what the law should be, and today it is law. So it may be that in a short time the Law on Political Parties and the Law on Voting and Elections will also be enacted into law," he stated.

"We understand," he argued, "that if we really want to move toward democracy, the entire mechanism must be structured, and it is that structure which we are helping to build."

He also pointed out that it was a positive meeting, and that his group is happy with the results, since what it believes is necessary is actually being done. "Within the Constitution, everything democracy requires will be obtained," he asserted.

Finally, he claimed that just talking about these matters is advancing in the transition toward democracy, contrary to what some sectors have argued.

Encouragement

Meanwhile, Ambassador Enrique Bernstein and academic and former Ambassador to the White House Sergio Gutierrez Olivos also met with the chief of the cabinet.

As he departed, Bernstein stated that "we came to give the minister a word of encouragement at the beginning of the talks he is holding."

Regarding the contribution they might make, he stated that "no Chilean can remain on the sidelines and allow only the democratic opposition and the government to engage in dialogue. All Chileans want this dialogue to be successful, and we conveyed that to the minister."

He explained that they had not made any comment on the aforementioned legislative proposals.

With respect to the bishops' appeal, the diplomat indicated that everything that means pacification, understanding, and dialogue, is what the country needs.

When asked, in his capacity as a signatory of the National Accord, about the position of some groups in that alliance which have indicated they will not participate in these talks, Bernstein replied: "As a matter of principle, I do not judge other people's opinions in public. It is very important for a

dialogue to take place, and all Chileans should contribute to its positive outcome."

Businessmen

In addition, the president of the Confederation of Production and Commerce, Manuel Feliu, also met with Minister Garcia yesterday. He explained that his purpose was to talk about labor union issues and about the country's political situation.

"I have also conveyed to the minister our satisfaction with these talks of his. They are important to us, because they mark the beginning of an effort that is vital for the future of the country. I think that we Chileans should be aware that only to the extent that we are capable of seeking an understanding, through free, intelligent, and rational talks, will we be able to create the country we deserve," he indicated.

He stated that businessmen are not included in the political scheme, but that they are interested in the possibility of seeking paths to understanding, and that they will do everything they can to help this situation.

"It is important for a lot of people from different sectors to talk with the minister on issues as important as the political parties law. That is why he has called in people of different persuasions, not just those who are his friends in a certain way, but also the opposition," he added.

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CHILE

DEMOCRATIC ALLIANCE LEADERS READY TO DIALOGUE

Santiago EL MERCURIO in Spanish 16 Oct 86 p C-3

[Text] The members of the Democratic Alliance (AD) will hold a special meeting this afternoon to study the statements made on Tuesday by Junta members Gen Fernando Matthei and Adm Jose Toribio Merino regarding the possibility of a dialogue.

Both military leaders expressed agreement with the agenda proposed by the president of the republic to the interior minister to carry out an exchange of views with the country's democratic opposition. They stated that in any event, political decisions are up to the executive branch, although they reiterated their willingness to talk to representatives of opposition sectors, without adopting resolutions.

Yesterday the acting president of the AD and top leader of the Chilean Social Democrats, Rene Abeliuk, declined to comment on Merino's and Matthei's statements, indicating that this issue will be studied today at a special meeting by that alliance. The AD is comprised of the Christian Democrats, the Socialist Party (Nunez), the Social Democrats, the Radical Party, USOPO, the Liberal Party, and the Republican Party.

Later on, the leader cautioned that "in everything related to dialogue and the art of negotiation, there are always what are known as the preliminaries. We think we are in that stage; positions are being staked out and the situation is being examined to determine whether dialogue is really possible and beneficial, and on what terms it will be carried out."

Political Solution

Abeliuk, accompanied by the secretary general of the alliance, Eduardo Cerda, issued a statement which had been drafted at the regular session of that political group on Tuesday morning, before the members of the Junta had released their statements.

In the document, the AD reiterates its willingness "to create the proper conditions for the indispensable coordination between the civilian forces and the Armed Forces and Carabineros," stressing that "it believes in the logic of understanding and reason, not in confrontation and violence."

After pointing out that the AD will continue seeking a political solution "that will permit the restoration of democracy," and noting that "Gen Pinochet's attitude in severely restricting the framework of any negotiations and thus detracting from their effectiveness, is dangerously hindering and delaying efforts to reach an understanding that will lead to the objective the country needs and demands," it goes on to argue that "it is not the Democratic Alliance that has refused to engage in dialogue."

"On the contrary," says the statement, "we have always been willing to talk about that which is of importance and interest, that is, to lay the groundwork for the sovereign people to determine their own destiny."

Finally, it states that "if it is possible to reach an agreement on this fundamental principle, hiding behind formalities is only a delaying tactic designed to conceal interests which run counter to the history of Chile and to our future as a nation."

National Accord Meeting Cancelled

Abeliuk was asked about the reasons for cancelling the National Accord meeting that had been scheduled for yesterday morning, and he responded that it was precisely because solving the problem of the dialogue, "which is a decisive question for the country," was considered more important.

"Perhaps this is our last chance to find a peaceful and rational solution to the Chilean conflict, and obviously because it is so important, studying the Foundations for Expanding the National Accord takes on less urgency," he commented.

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CHILE

NATIONAL PARTY PRESIDENT ON DIALOGUE, UNITY

Santiago COSAS in Spanish 30 Oct 86 pp 19-21

[Interview with National Party President Carmen Saenz by Manuel Santelices, at her residence in La Reina, Santiago, date and time not given]

[Excerpt] The National Party was among those invited to sit down at the table of Minister Ricardo Garcia at La Moneda to talk about the political laws. Its president, Carmen Saenz, did not go.

[Question] Why?

[Answer] I had sprained my foot, and I didn't like the idea of limping there. One cannot afford to limp, either physically or in politics. But I was very well represented by Silvia Alessandri, one of the women who made it possible for the party to be reorganized. Moreover, she is a member of the executive board in her capacity as president of the women's caucus.

[Question] It was said that you did not attend because you had been disappointed at a previous meeting . . .

[Answer] They can say whatever they want. Minister Garcia strikes me as a very nice person, and I think he is carrying out this dialogue in a very positive spirit. True, I do not know how far he will be allowed to go in dealing with issues outside the agenda of his talks with the parties, issues which are more important to the citizenry as a whole.

[Question] How much importance does the National Party attribute to these talks?

[Answer] Since the National Party was reorganized, I have always thought that it is extremely important for a dialogue to take place in this country. Otherwise, it is just like a family in which a single person does all the talking. Monologues cannot continue in Chile.

We want the country to resume its customary path of democracy, which is a kind of legacy for all Chileans. Chile had never before had an emergency government like this one. We recognize the Constitution, we support the Armed Forces, but we are independent. That gives us moral authority to applaud the

good and criticize the bad, and now to express our concerns about the proposed political laws. It is of the utmost importance to draw on the experience of parties with deep roots in Chile's history, such as the National Party, in these matters.

[Question] Was that why the National Party went to La Moneda?

[Answer] That was the minister's agenda, and we sent our proposals with respect to the amendments we think should be made in the Constitution.

[Question] Does it do any good to have a dialogue in which the agenda and the participants are determined ahead of time by the government?

[Answer] Everyone goes to a meeting to talk, and even if there is only one item on the agenda, several issues may be discussed. Engaging in dialogue is fulfilling the wishes of the entire nation. There is great concern about what will happen in 1989. This is the first time the National Party has gone to a dialogue. On another occasion, with another interior minister, other groups went to talk, and the Chilean right--the National Party--was not even invited.

[Question] Were you invited to participate, or did you convey to the government your interest in attending?

[Answer] We were invited to participate.

[Question] Why this time and not before?

[Answer] The other times I had talked to the minister we had discussed matters which were extremely urgent at the moment. This is the first time they have invited to talk about legislative problems. And as patriots, as Chileans, and as the ones responsible for the country's future, we had to go. And we are very happy to go when it is something that is not for the good of the party, but for Chile's destiny. It would be a serious mistake for the dialogue to grind to a halt. The country would become even more polarized, and those who do not want the dialogue, saying that there is no talking with this government, would be proven right.

It is extremely important for this to go forward, as even the members of the Government Junta have said. The deadlines are being observed and the debts are being paid; 1989 is only 2 years away, and whatever has to be done with respect to the Constitution must be done soon. This fundamental document must project far beyond 1989, and as it stands now, if it were to fall in the hands of a leftist communist government, it would give that government all the weapons it needs to remain in power.

I am very optimistic about this dialogue; I believe in the patriotism of the Junta members' views, and I see no reason why we should not go talk with them.

[Question] And what is happening with the other parties? Does the opposition also have the right to express its opinion?

[Answer] All Chileans have the right to express our opinions. There is no governing for just one sector here. The future leader of Chile will have to govern for all Chileans, as Jorge Alessandri did, for example. Although he was a rightist president, he governed with people who had even opposed his candidacy.

[Question] What people criticize about these talks is that, first of all, it is the same old groups that are attending them. And secondly, they argue that it seems a little naive to go to La Moneda to talk about constitutional reforms, when the president has said that there will be no reform and that everything that is laid down in the Constitution will be carried out.

[Answer] If we show up with serious proposals and warn of the danger involved in failing to reform certain aspects of the Political Constitution, that at least is important, even if they don't accept our suggestions, because our consciences will be clear no matter what happens in the country's politics.

[Question] But the dialogue is not intended to keep the parties' consciences clear . . .

[Answer] If we have engaged in dialogue, it is because we believe that we can accomplish something. And I am an optimist. All actions in politics have to be done with great honesty, as we do in my party, and this sometimes makes enemies. But we do what we do because we are aware of the concerns of the rank and file, and because we believe that this country needs a peaceful transition to democracy, one which will win everyone's confidence. And the National Party, because of the way it is proceeding, is winning many people's confidence.

[Question] How much faith, given what happened on previous occasions, can the parties have that whatever Minister Garcia says to them will not be retracted later by President Pinochet?

[Answer] That depends on the government's future actions. But my conscience, as the National Party, is clear, and the party has done what a democratic party should do.

[Question] There are those who think that the government is not really interested in dialogue, but it is going through the motions to calm the political situation and to win support to pursue its original intentions . . .

[Answer] The political situation is very calm after the attack on the president. Chileans are not used to situations like the one we went through in September. This is a good time for the government as far as its popularity is concerned; many people who never used to go to rallies went to these, and made their presence known on 9 September, because Chile is against terrorism. This attack and the discovery of the arsenals opened a lot of people's eyes. People who are not part of the government believe that all means must be utilized to ensure a successful dialogue that will prevent us from facing extreme situations like this one again.

[Question] Are you saying that the government does not need a dialogue?

[Answer] I believe that at this time it would not need to resort to a dialogue, because a feeling of solidarity toward the government has developed. But Chile and life go on, the deadlines are being observed, and the political laws must go. The government should have the intelligence to begin talking with independent or opposition parties, and to begin listening to them. Because this dialogue is not just to talk; it is also to listen.

[Question] Is the National Party an opposition party?

[Answer] It is an independent party that applauds the good and criticizes the bad. It is a party committed to the Armed Forces, because we went along with one 11 September. And I have full faith in the Army, in the Armed Forces of Chile, which have a record of honesty in Chilean history that is unmatched in any other Latin American country. They gave their word, and I believe that word.

Unity Unattained

"I hope that in the future of Chile," adds Carmen Saenz, "we will not divide ourselves between bad and good, between opposition and non-opposition. I believe that the experience of these 13 years and that of the past regime must teach us the lesson that whoever is in control of Chile's destiny tomorrow must be, regardless of political party, a Chilean who wants to give the best of himself for all Chileans."

[Question] That lesson appears not to have been learned yet. The parties are as divided as ever . . .

[Answer] Look, sometimes great ideas are born out of emergency.

[Question] And haven't there been emergencies in these 13 years?

[Answer] I think people are shielding themselves under the protective umbrella of the Armed Forces, and have not waked up to the reality that this must come to an end.

[Question] Are you talking about the right?

[Answer] It may be that the right is divided today, but that will have to change. The rightist forces of the world have experienced a resurgence because they have stopped being timid and have become creative and imaginative again. As happened after the crisis of 1980 in Japan, England, Germany, and now France . . . The right becomes great when it stops being "anti" and just becomes creative.

[Question] Have there been attempts to unify the Chilean right?

[Answer] Remember that we are under a state of siege. At least in my case, my conscience is clear, because I have already made several attempts to draw those who left the National Party back into one family. I think that after a strong regime and political drought, it is natural for flooding to occur after

a big rain. But the Chilean right will have to return to the same bed it always flowed in.

A little over a month ago, I wrote another letter, a very private one, to urge us to think through this matter again. I went even further; I called for a convention of the old National Party. Unfortunately, the response was negative. But I have not lost hope that someday we will all be together. The major parties of the right throughout the world must include different currents, different facets among their ranks so that democracy can survive within them as well.

[Question] Is unification urgently needed, or can it wait until there is democracy in the country?

[Answer] I believe it is essential for us to project the unity of the right, of those of us who were the National Party. And I make that very clear, because the other movements you might consider rightist I consider ultra-rightist, and they were never a political party.

[Question] To whom are you referring?

[Answer] Few words are needed for those who understand well. Precisely to avoid dividing the right further, please don't ask me to name names.

[Question] What is the underlying reason for the division?

[Answer] The National Party went along with the political hiatus. There came a time when some tried to form a great conglomerate of parties of the center and right, and we were included in that. The Independent Democratic Union (UDI) was also included, represented by Jaime Guzman; and Julio Duran, Juan de Dios Carmona, and others were there . . . The idea was to forge a great civilian movement. They even toured the country. That unity broke down right away. I think the different sectors didn't want to lose their identity. The UDI left to form a political party, Julio Duran kept his Radical Democracy, Juan de Dios Carmona stayed with his movement, and it became apparent that every sector wanted to become great at the expense of the National Party. Shortly afterwards the National Union also left.

But the National Party had the history, the name, the foundations for this force, which at one point was the second-largest in the national political spectrum. That is why we, three women, issued an appeal to keep our party alive. Now we are an independent party whose leaders and members are not involved in important positions and do not receive money from the government for their various organizations. We face the country from a position on the right that is not compromised, but it is a position of solidarity.

Many thought that the National Party would not be alive 3 years later, but the polls tell us that the competition have not put a dent in our support.

[Question] Until recently, the National Union appeared to be very close to you; now, however, they assert that they prefer the company of the UDI rather than the National Party . . . What happened?

[Answer] That is the National Union's problem; the party's line has not changed.

[Question] When Pedro Ibanez or Francisco Bulnes is asked why they are in the National Union and not the National Party, they say it is because the true spirit of the Chilean right is there today. What is your response to that?

[Answer] My response is that when I was vice-president of the National Party, they were senators. That says it all. I don't want to fight with anyone; this country is not about to get into a controversy about what Mr Ibanez or Mr Bulnes thinks.

Accord and Expansion

[Question] What is the status of the National Accord?

[Answer] Well, the Accord has expanded with the document "Foundations for a Democratic Regime."

[Question] Which you did not sign . . .

[Answer] I was also sick (she says, half serious and half joking).

[Question] Were you limping on your ideas or on your feet?

[Answer] That is past history now, and no one cares. I have enough personality, and that is something that must be taken into consideration; besides, the party did sign.

[Question] Is that the same?

[Answer] A vice-president can sign under certain circumstances.

[Question] Is it the same as if you had done it yourself?

[Answer] I think so. Now, with regard to the Accord, its extension should not have been signed the day after the attack on the president, and it should not have been published the day of the support rally. These two events clashed. And that, I think, has led to a kind of "status quo" within the Accord. And remember that we are under a state of siege.

At this time the political waters are troubled. It's like when you go by a spring and someone has been through before; to avoid tripping, you have to wait until the waters settle. The National Party is waiting for the political waters to settle.

[Question] Can such an unsettled Accord be expanded?

[Answer] "The load can be adjusted on the road," say truckers.

[Question] And does that apply to politics as well?

[Answer] Yes, of course. That applies to events, not to the load itself. Although politics is a heavy load.

[Question] Let's talk about the communists . . .

[Answer] The party's position on that issue must be clarified, because several sources are trying to harm us by putting us next to them, and that cannot be. I tell you in all honesty that I don't trust the communists, and that has always been my attitude. They don't lie; the methods they use are the same as always: terrorist violence, fear, confusion. They drag into their service those who suffer poverty, and they become entrenched in student and labor organizations. That is the methodology they have always employed. That is why I say I don't trust them; they are not going to change. And anyone who believes it is possible to forge alliances with the communists because they are different from the ones who took over Afghanistan, the ones who massacred the students in Budapest, or the ones who are silencing the labor forces in Poland, is wrong. They are still the same, and I will never become involved with them.

[Question] And what would you do with them in a democracy?

[Answer] The country that has suffered more under communism than any other country in the world is Germany, and there is a wall to prove it. The Constitution of West Germany was so well thought-out that I think we should copy it verbatim. Ideas can be fought with ideas.

[Question] With ideas alone?

[Answer] With ideas, and with governments that provide real possibilities for all.

[Question] Minister Francisco Javier Cuadra has accused the opposition parties of allowing themselves to be carried away by the "Marxist strategy." Do you agree with that?

[Answer] I wouldn't know. I don't think so. And if the democratic parties end up playing into the hands of the communists, poor Chile! Because we should not forget that the most democratic country in Western Europe was Czechoslovakia, and because it kept giving in to the manipulations of the communists, within 3 years it had become dominated by communism. I hope that the same thing does not happen in Chile, and that the political leaders do not advance two steps and retreat one while the communists advance one.

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CHILE

8 MILLION EXPECTED TO SIGN ELECTORAL REGISTER

Santiago EL MERCURIO in Spanish 23 Oct 86 pp A-1, A-10

[Text] The chief of the Electoral Service, Juan Ignacio Garcia, reported that within 22 months, 8 million Chileans will have signed the Electoral Register. He pointed out that this period must begin no later than 5 months after the law was published, and the clock started running last 1 October.

The official discussed this issue during a session of the Political Science Institute of the University of Chile, where he presented a thorough analysis of the recently promulgated Voter Registration Law.

On this occasion, he stated that those who have been declared ineligible by reason of insanity, those who have been prosecuted for crimes punishable by long prison terms, those who have lost their Chilean citizenship, and those who have been convicted of terrorist activities are not allowed to register.

He also indicated that voter registration will be cancelled if the registered person dies, changes his address, or is convicted by a court.

He reported that the Electoral Service must keep voter registrations up to date, taking into account the aforementioned variables, and for this purpose it will use computerized rolls to prevent double or erroneous registration.

Garcia, who is an attorney, former deputy director of voter registration and an official of that service for more than 20 years, explained that registration will be free of charge and mandatory. The person registering to vote must show his national I.D. card and swear under oath that his address is correct.

He observed that anyone violating these regulations will be punished according to the provisions of the Electoral Law. In addition to verification by means of the I.D. card, he noted, those registering must sign the Electoral Registration Book and must stamp their fingerprint there.

Garcia Rodriguez explained as well that the Voter Registration Law provides that the electoral system will be made up of three organizations: the Electoral Boards, and Registration Boards, and the Electoral Service.

The Electoral Boards, of which there will be one in every province, will consist of three judicial representatives, and their function will be to propose candidates for appointment to the Registration Boards.

There will be a Registration Board in every community, with a total of 500 throughout the country. They will be made up of common citizens, two of whom will be proposed to the Electoral Service by the Electoral Board, and the third will be designated by that service. The members of the Registration Boards may not be leaders of political parties, candidates for public office, or officials in the confidence of the president of the republic.

Garcia Rodriguez stated that the registrations will be recorded in two separate books, one to be filed with the Electoral Board and the other to be kept in a central archive. There will be books for men and books for women, but Chilean citizens will not be separated from foreigners.

He reported that one of the autonomous functions of the Electoral Service will be to oversee the Electoral Boards and the Registration Boards. It will also have the authority to form new Registration Boards if necessary, to extend the hours of business, and to name alternate members.

When asked why it was decided to use a manual registration system instead of a computerized one, Garcia stated that this system was chosen because the data base provided by the Civilian Registration system does not contain address information. That information is essential for electoral purposes. "When a person gets an I.D. card he does not specify his address for electoral purposes," he observed.

He noted, however, that although the registration will be done manually, the system will definitely be computerized to check for double or false registration.

8926

CSO: 3348/94

MEXICO

SOVIET AMBASSADOR NOTES 1 JAN 87 MORATORIUM END

FL271913 Mexico City NOTIMEX in Spanish 1643 GMT 27 Nov 86

[Excerpts] Mexico City, 27 November (NOTIMEX)--Soviet Ambassador to Mexico Rostislav Sergeyev has said that the United States is the principal generator of world tension and is currently preparing laser and electromegation weapons that are more powerful and destructive than the nuclear bomb.

At a brief interview at the Mexico City Airport, Sergeyev said because of this situation, his country will terminate the moratorium and renew nuclear testing on 1 January 1987.

He also criticized Ronald Reagan for promoting a hypocritical international policy while the United States is the principal generator of world tension.

The USSR will not allow this, Sergeyev said. It is not possible to allow the strategic balance of power to be lost, he said, or to disrupt the arms balance since it must respond to the security of the people, its allies, and the protection of humanity.

/12232

CSO: 3248/85

PERU

SPAIN'S GONZALEZ ADDRESSES CONGRESS ON ACCORD

PY132019 Madrid EFE in Spanish 0243 GMT 13 Nov 86

[Text] Lima, 12 Nov (EFE)--Spanish Prime Minister Felipe Gonzalez today committed himself in Congress to fighting for Spanish-Latin American integration. He also pointed out the necessity of seeking "an accord" to solve the foreign debt problem.

"As a Spanish citizen, I voice my commitment to pursuing the historical goal of promoting unity and solidarity among our peoples. I am fully convinced that we will achieve unity sooner or later," Gonzalez said during his speech at a joint session of the Peruvian Congress.

"It would be extremely important if, in a world of antagonism and sectarianism, the 300-million Spanish-speaking people could unite in a common effort to offer the world possibilities of dialogue and peace," Gonzalez said during his official visit to Lima.

He added that it is strange to realize that Spain and Latin America are capable of reacting against "what we consider clear unfairness toward some Latin American countries, such as Nicaragua and Argentina, without being able to create "a joint proposal for integration." [punctuation as received]

Spokesmen for several congressional blocs addressed the 2-hour Congressional session held in honor of Felipe Gonzalez. At the opening and at the close of the session, Gonzalez received a standing ovation.

Gonzalez, who will leave for Havana tomorrow, said that it is "impossible" to solve the foreign debt issue through political adjustments which prevent the economic growth of the developing countries.

"The only way of solving this problem is by promoting talks between debtor and creditor countries in order to agree on refinancing programs with adequate payment terms based on the economic growth of the developing countries," he said.

Gonzalez promised to try to convince the EEC to start a dialogue between the two regions, because "our future as a nation has to be connected to the future of the Latin American continent."

The Spanish prime minister emphasized that social justice cannot be achieved "unless there is a healthy economy."

Congress President Armando Villanueva, of the American Popular Revolutionary Alliance (APRA), opened the joint session of Congress, and referred to Gonzalez as "a citizen who is the president of the Spanish popular government."

Villanueva said that Peru endorses the Spanish and Argentine struggle and sovereignty claims over Gibraltar and the Malvinas Islands. After Villanueva's speech, Congressional spokesmen of various political parties addressed the session.

APRA Senator Luis Alberto Sanchez, 86, said that the only way Spain and Latin America can overcome their difficulties is "to unite."

Enrique Bernales, of the United Left coalition, said: "We are convinced that Spain will be our best partner, and our most faithful ally" in the EEC.

Mario Polar, of the conservative Christian Popular Party, lauded Gonzalez by saying: "You clearly represent a state of law, a pluralist democracy, and you support political and economic pluralism."

Gaston Acurio, of the conservative Popular Action, urged Spain to join Latin America "in attempting to restore hope in the hearts of our people."

Tomorrow, Gonzalez will grant a press conference, sign a joint communique with Alan Garcia, and meet Lima Spanish residents, before leaving for Havana, the last leg of his tour of Latin America, which started in Ecuador.

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CSO: 3348/118

PERU

WEST GERMANY INCREASES ECONOMIC AID

Lima EL COMERCIO in Spanish 26 Oct 86 p C-8

[Excerpt] The irrigation of Jequetepeque, one of the financial cooperation projects being carried out by Peru and the Federal Republic of Germany, has received a new boost: The 247 million marks initially earmarked for the project have been increased to 300 million.

At the same time, the sum of 15 million marks initially to be used for small-scale irrigation in the southern mountains, called the Meris Plan II, has been doubled.

Reinhard Dieckert, first secretary of technical and financial cooperation of the German Embassy in Peru, has said that the increases are due to an intensification of the financial cooperation project, meaning soft credits extended to our country.

Support for Agriculture

The project concentrates on the agricultural sector, especially irrigation projects. Support for the fishing sector is also significant.

Among the projects under execution in addition to those mentioned are: Tinajones Irrigation, Drainage, on which 20 million marks will be spent, the Samanco Fishing Complex (15.5 million) and the Small and Medium-Sized Industry Support, with 10 million.

Projects included in the financial cooperation operation involve the supply of drinking water and sewage systems to the new towns of Arequipa (20 million marks) and the rehabilitation of five regional hospitals in the mountains (3 million).

They include basic health care in Cusco, Apurimac and Madre de Dios (7 million), the Materials Bank (II), Southern Peru (5 million), the Materials Bank, National Level (3 million) and the Cusco-Apurimac school infrastructure (10 million).

The official stated that the Technical Assistance and Cooperation Program is also aimed at the fields of agriculture, energy, health and education, along with other areas of priority such as the development of rural regions.

One report states that in 1984, Peru occupied fifth place among countries receiving technical assistance from the German Government. However, in 1985, it received 28.1 million marks and rose to third place, after Turkey and Indonesia.

The technical assistance program also includes an exchange of experts. A total of 129 are currently in our country.

Finally, Dieckert announced that a food support agreement will soon be signed consisting of 10,800 metric tons of wheat, processed oats and corn.

CSO: 3348/97

PERU

GARCIA ON IMPORTANCE OF INFORMAL SECTOR OF ECONOMY

Lima EL PERUANO in Spanish 28 Oct 86 p 1

[Text] President Alan Garcia stated yesterday that the country's economic growth will not come from foreign credit, but rather from increased consumption and domestic demand. "At least," he asserted, "that will not happen during my administration."

He revealed that the economy has grown by 6 percent as a result of domestic demand and consumption, and will continue at that pace if we maintain our anti-imperialist position, improve the redistribution of wealth, and keep our dollars to invest them in internal development.

After talking at length about the Mothers Clubs as he addressed the Latin American Seminar on the Informal Urban Sector, the chief of state asserted that these groups are a response by the people outside the context of municipal and state institutions. "This is a response to the other kind of economic informality that you are familiar with," he told the audience.

The president spoke at the inaugural session of the event, which will last until the 30th of this month. The chief of state spoke to the audience for an hour and 15 minutes.

Informal Sector

The president stressed the importance of the informal sector to the country's economic life. He indicated that the state's best ally, one which gives it a strong boost, is the marginal sector. This sector asks for the least and is most closely tied to the concepts of production and domestic demand.

He pointed out that the concept of the informal sector is one of the most important tools available to the current administration for breaking the vicious circle of an economy hemmed in by its own vices: too much consumption of dollars or too limited distribution of wages, and therefore a low induced consumption capacity. He revealed that this sector involves 30 to 40 percent of our workforce.

The president added that it is much more in touch with national development than are the public administration, which plans but does not produce, and the centralized industry which consumes dollars.

Then the commander in chief explained that the state should accept that this sector is a fact, and that the government should feel satisfied with the creative capacity of the migrants who are defending their workplaces.

"Speaking from the standpoint of the state," he said, "I laud this sector, because it represents the historic ability of the people to respond to voluntarism, to taxation, because it generates an economy that is much more closely linked to the unorthodox economy that is emerging in Latin America. This economy is based on the criteria of demand and consumption."

He specified that this sector is the best ally of a nationalist, democratic and popular state, so it should be thoroughly understood as an original phenomenon, a social response.

In one part of his speech, the president stated: "We want a more independent society that has better distribution and no alienation or shortages. We want to promote popular consumption, redefine the orientation of our industry, and put the government in touch with the real national situation."

Half of Peru in Informal Sector

He went on to assert that there will be no state if it is not recognized that more than half of Peru is in this sector, which has been considered informal. Recalling his speeches at the Latin American Economic System (SELA) and at the International Competition of Civil Construction Workers, he stated:

"There cannot be development without anti-imperialism, without a clear position on the foreign debt, without an integrationist and continental orientation, without an organization of Latin American and Caribbean states that will enable us to form a united front and respond."

The president indicated that integration makes it possible to stop imperialism, and that only the integration of our continent will enable us to respond to imperialist domination. As long as we are isolated, he added, the informal economy will be a great ally of our governments.

Then he noted that the government's position is that until we are able to develop on a large scale, we will have to rely on this force.

He then stated that we must understand the psychology of the informal urban sector to determine what the country needs. He praised the work that is being done in the informal sector.

8926

CSO: 3348/96

PERU

PRIME MINISTER ON ECONOMIC ACHIEVEMENTS, NEW BUDGET

PY300044 Lima Television Peruana in Spanish 0100 GMT 29 Nov 86

[Text] Following a meeting with members of the American Popular Revolutionary Alliance [APRA] in a Lima hotel today, Prime Minister Luis Alva Castro said that considering the results of the government reactivation program reflected in the reduced inflation rate, we can say that the government is fulfilling its reactivation program.

[Begin relay] [Reporter] Economy Minister Luis Alva Castro today met with 45 APRA congressmen and members of government economic groups at 0900 in the El Pueblo Hotel. The government officials attending the meeting were: Economy Vice Minister Gustavo Saberhein; Senator Ramiro Priale; Central Reserve Bank [BCR] President Lionel Figueroa; BCR General Manager (Hector Heira); Juan (Candela Onis) de la Torre, vice president of the Banco de la Nacion; and one of the advisers of [words indistinct].

The purpose of the meeting was to study the national budget. The economy minister spoke about the development of the economic program, while the other participants commented on and made suggestions for next year's budget.

[Alva Castro] This administration has been in power for 16 months, and we can now more confidently tell all Peruvians that the government will continue to implement its program. In no other country have two fundamental goals--reduced inflation and economic growth, which are so important for the development of the country--been jointly and simultaneously fulfilled. We have successfully attained both goals.

We have reduced inflation to a third of what it was at the beginning of our term, and economic growth was just over 6.0 percent in September. I can say that I trust it will continue to grow in the future.

We can now give all Peruvians the good news that the growth in the GDP is a concrete achievement and that, through this growth, we have created more jobs. The country has now the means to better distribute its wealth and to put an end to the inequalities and discrimination that still exist. [end relay]

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CSO: 3348/118

PERU

ALVA CASTRO EVALUATES 14 MONTHS OF ECONOMIC PROGRAM

Lima EL NACIONAL in Spanish 22 Oct 86 pp 4-5

[Text] The president of the Council of Ministers and minister of economy and finance, Dr Luis Alva Castro, revealed yesterday, Tuesday, that the national economy grew by 6.5 percent between January and September of this year, thus exceeding the goal of 6 percent that the chief of state and the government promised the country for 1986. This announcement was made during a meeting with his entire economic team, which was held to assess the 14-month-old economic program.

"It is with great satisfaction and optimism, but not complacency, that I announce to the country that our economy is responding positively to the reactivation policy. This is manifested in the growth of the GDP in all sectors except mining between January and September of this year. This growth exceeds the economic team's projections, and confirms in practice that the government of the people made the right decision when it advanced its own model, ignoring the dictates of the IMF and opting to meet the demands of the workers, businessmen, and peasants of the country. This message has apparently penetrated, and today the agents of production are proving irrefutably what a country can do when the government is guided by national interests," stated the prime minister. He was responding to numerous journalists who had been following the development of the working meeting since the early morning.

It was learned that another item on the meeting's agenda was an exhaustive analysis of the administered prices system, and the performance of wages and salaries. It was also reported that a decision has been made to implement the equalization of public administration employees' salaries.

Production Soars

The first part of the working meeting was devoted to reports by experts from the Ministry of Economy and Finance, the National Statistics Institute, and the Central Reserve Bank, regarding the performance of the various sectors of production.

These reports all pointed to a major recovery that promises to continue further. The fastest growing sector is fishing, with a growth rate of 29.5

percent for this 9-month period. This rate can be explained by the simultaneous growth of production of frozen fish for human consumption and that of other species for canning and fishmeal. In Alva Castro's view, the economic reactivation took on a decidedly social orientation with this development, "because it was not just a matter of growth, but of growth for the purpose of meeting the people's basic needs."

The second-place sector in terms of growth is construction, which saw 21.4 percent more activity than last year. This trend can be explained by the implementation of a massive low-income housing policy, and by progress in various infrastructure projects to benefit regions in the interior of the country. "This affirms our orientation toward decentralization and regionalism," said the prime minister, "as attested by the many provinces in the country that are now receiving state investment."

Third place is held by the manufacturing sector, with a production growth rate of 11.0 percent. "This veritable industrial boom," commented Alva Castro, "has been brought about by making use of idle installed capacity and providing stimulus through the policy of cutting production costs. The government began pursuing this policy from the very beginning," noted the prime minister. He also stressed the influence of policies promoting nontraditional exports on these results.

In connection with the recovery in the manufacturing sector, commerce has also improved, with a 7.5-percent growth rate, while electricity reports a 7.0-percent upswing. "It is common knowledge that the performance of these sectors is an excellent indicator of overall trends, because there can be no industrial development without an increase in the consumption of energy or an adequate commercial flow," Alva Castro explained.

By the same token, the prime minister emphasized the improvement in the indices of agriculture-livestock production, which rose by 2.6 percent. "Some have overlooked the gradualism that necessarily characterizes any major transformation of the rural sector, given the nature of the agricultural cycle," he noted. "No one can be expected to show spectacular results in half a season, or in just one season, since the capitalization of the farm sector is a long and arduous procedure. But even so, the available figures indicate that we have managed to turn around the historic agricultural crisis, and that we are moving from stagnation to recovery. For the time being, the growth rate that has been achieved is enabling production to keep pace with automatic population growth. We intend not only to maintain this balance, but to achieve a surplus so that there will be a greater availability of food per capita in the country," he argued.

Finally, according to the evaluation presented at the working meeting, the only sector with a negative growth rate is mining. This situation is attributed to the still gloomy international price picture, which has hit especially hard at small- and medium-scale mining in this country.

Prices Not Bottled Up

Another key issue discussed by the economic team was the administered price system, which was announced and implemented in February of this year. Alva Castro stated that people have looked for a "liberalization, indexation, or unleashing of prices" in this system, and he said that the administration does not fit any of those descriptions. "On the contrary," he said, the philosophy of the system is to guarantee that business and government will join together and coordinate their efforts to correct and adjust the distorting factors that could arise in the development of prices," he explained.

"In this regard, I would like to take this opportunity to report that since the administered price system began, 400 businesses have gone through the proper channels of the Ministry of Industry, Commerce, Tourism and Integration (MICTI) to request adjustments. In each case, they have sent a technical file demonstrating the reasons for the variations in their production costs. These arguments were reviewed and compared with the available information on the specific area of production, and if they were correct, they were accepted. Of the 400 requests submitted altogether by businesses, 350 have been dealt with already, and just 50 are still being processed."

In addition, Alva Castro revealed that by following this procedure, the prices of 8,000 products have already been adjusted, of which 3,400 belong to the industrial sector and 4,600 to the pharmaceutical sector. "But this system," stressed the prime minister, "has not had inflationary effects, as attested by the stabilization of the consumer price index in recent months."

The prime minister also denied that prices are being bottled up. "With 75 percent of the requests for adjustments resolved, and with a minimal amount of time involved in processing each case, where could there be a bottleneck?" he asked. "Following the same logic," he said, "the MICTI recently authorized the adjustment of the products affected by the shift of the dollar from the single exchange market to the financial market. But this was done within a framework of ongoing dialogue and coordination which leaves no room for any attempts at speculation," he declared emphatically.

He concluded this portion of the discussion by asserting that "price administration is a method designed to promote the producer and protect the consumer. Those who want to return to the old days when it was more 'profitable' to speculate than to produce have no place here."

Defense of Buying Power

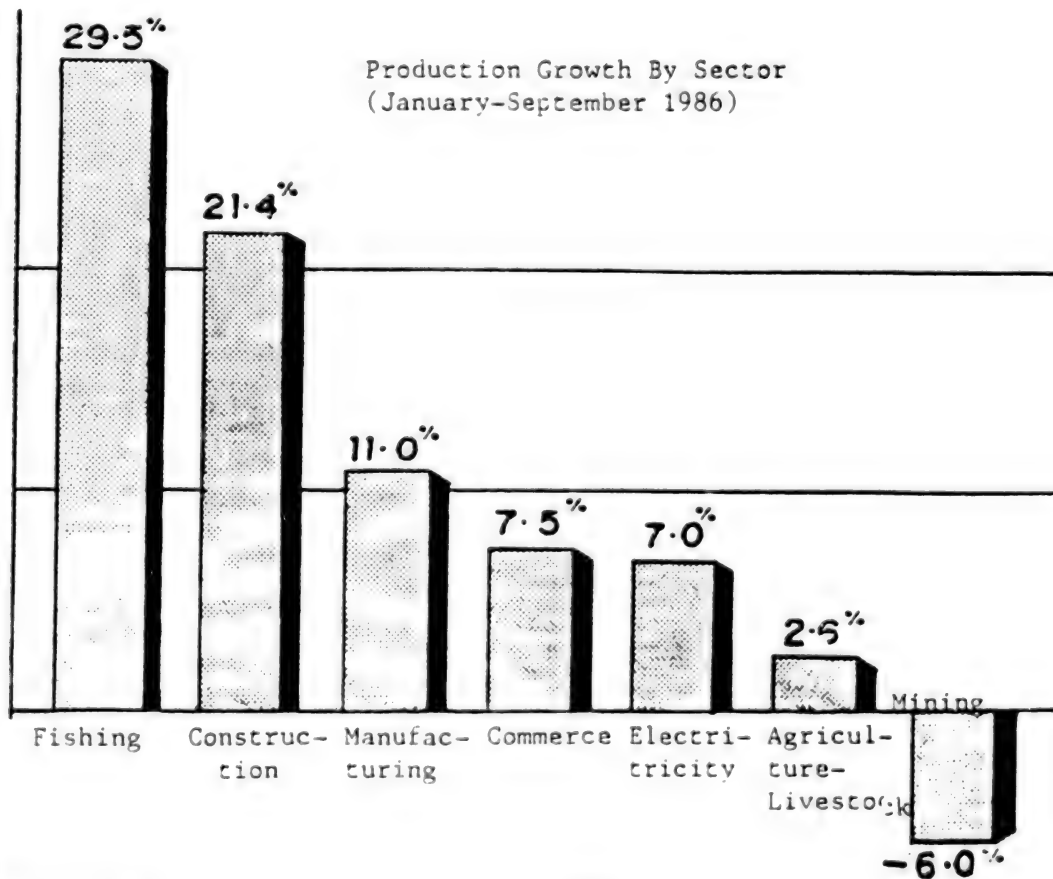
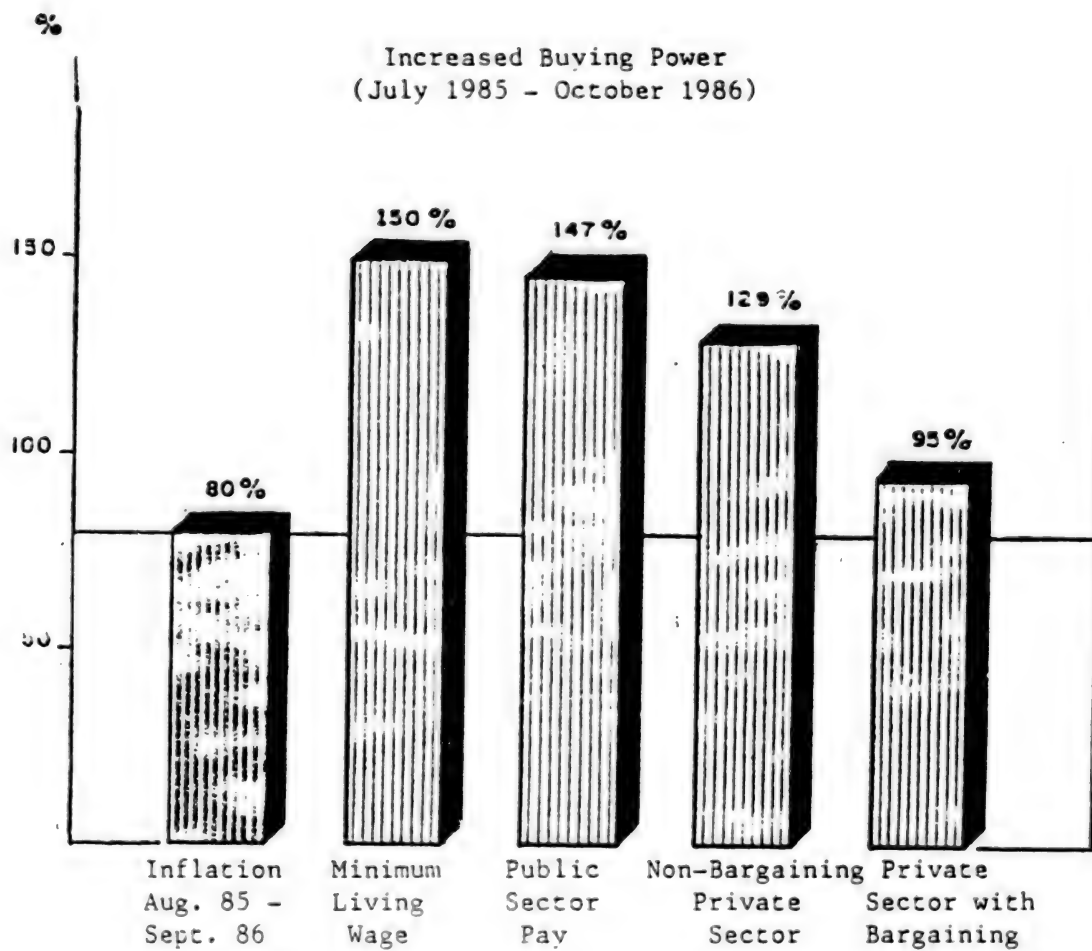
The prime minister also reported that the increase in production and the administered price system were closely linked to a wage and salary policy that defended the people's buying power. "Without a growing domestic market, the recovery would make no sense and would quickly run out of steam. And the only feasible way to create that market is through the recovery of Peruvians' income, which in recent years was constantly battered and eroded. Thus, it should be emphasized that we will not abandon our policy of keeping wages above inflation at all times in order to safeguard the people's buying power."

In this regard, the pay raises implemented this month put the working population in an extremely favorable situation, asserted Alva Castro. "Compared to the 80 percent cumulative inflation that has been recorded since we took office, we have adjusted the minimum living wage by 150 percent, the pay of public administration employees has risen by 147 percent, the private sector workers not covered by collective bargaining have seen their wages rise by 129 percent, and unionized workers with contracts have gotten a 95-percent improvement. In other words, all strata of the labor sector have come out ahead. They can rest assured that this margin will be maintained, and will actually widen as the country's productive capacity increases."

The prime minister also stressed the major effort the state is making to improve the lot of public administration employees. Along these lines, he noted that teachers, doctors, and judges have received major salary adjustments because of the historic postponement that took place. This measure was made possible by the implementation of a genuine equalization of the salary system which favors all workers in the public administration.

Alva Castro contended that the legal instrument prepared by the National Institute of Public Administration does justice not only to professionals, but to all public servants. Recognition is given to the years of effort professionals have put in to qualify, and the workers as a whole have a more simplified pay system. The nearly 46 categories for additional income have been eliminated, concentrating them in a single one. This makes a reality of the principle of equalization, which is that equal work deserves equal pay. In addition, eliminating and concentrating pay scales lays the groundwork for making fair and equitable adjustments, as the workers have always demanded, stated the prime minister.

Finally, Alva Castro reported that the results of the evaluation will provide additional impetus for the final quarter of the year and for the consolidation of the country's productive reactivation in 1987. "This is a goal that the government, businessmen, workers, and peasants can attain together," he concluded.



PERU

INDUSTRY MINISTER ON SALE OF STATE-OWNED ENTERPRISES

PY281951 Paris AFP in Spanish 1945 GMT 27 Nov 86

[Text] Lima, 27 Nov (AFP)--Industry, Commerce, Tourism, and Integration Minister Manuel Romero Caro has announced that in 1987 the Peruvian Government will increase its efforts to sell some 140 state-owned enterprises, which lack efficiency in the hands of bureaucracy.

Romero Caro mentioned the PROLANSA company, the Southern Steel company, and the Foodstuffs Drying Company among the enterprises whose stock will be put on sale.

The authorities officially said today that they believe that some 200 state-owned enterprises, which in the past few years have not been profitable, have become heavy burdens for the national budget.

The technocrats, who are not admitting that the efficiency of the state in managing the public enterprises is being openly questioned, estimate that if the government gets rid of most public enterprises it might be able to allocate more funds to domestic development.

Minister Romero reiterated previous government announcements that the enterprises that are regarded as being of strategic importance, such as PETROPERU [State Petroleum Agency], SIDERPERU [Peruvian State Iron and Steel Enterprise], AEROPERU [Peruvian State Airlines], INDUMIL [Military Industries of Peru], and other enterprises will not be sold to private interests [privatizadas], and that efforts will be redoubled to make them more efficient.

Romero made this announcement yesterday during a visit to a private company that manufactures cables and electrical conductors, yields a yearly profit in foreign exchange of \$16 million, uses 89 percent Peruvian components, and employs 300 workers.

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CSO: 3348/118

PERU

INP DIRECTOR OUTLINES 4-YEAR DEVELOPMENT STRATEGY

Lima EL PERUANO in Spanish 29 Oct 86 p 1

[Text] The chief of the National Planning Institute (INP), Javier Tantalean Arbulu, announced that in the next 4 years the government intends to raise or maintain the average GDP growth rate of 6 percent, which would generate some 450,000 new jobs.

He asserted that the medium-term development plan provides a model for national development within the framework of a long-term process aimed at overcoming the limitations and structural distortions that have led to situations of poverty and social injustice.

Tantalean, who is also in charge of the National Social Communication System (SINACOS), spoke on "The Planning of University Professions in Peru" at the 1st National Congress of the Confederation of Professional Associations (CIPUL) at the Crillon Convention Center.

He said that the development model is based on social justice, the legitimacy of political power, the efficiency of economic management, and rational spatial development.

It is a truly nationalistic development model that seeks the country's economic independence from profit-oriented imperialism; it is a democratic model because it has the majority support of the population, and therefore it is based on the support and effort of Peruvians; and it is popular because it gives priority to the participation of the traditionally excluded majorities, he stated.

From this perspective, Tantalean noted that the development of national identity and unity is a condition and a result of the Peruvian nation's social, political, and economic development.

In the economic sphere, he stated, the redistribution of income is a principal characteristic, because it demands and at the same time brings about major changes in the relations among the different groups and social classes, in the role of agents of production, in the function of the state, and in the spatial distribution of the productive apparatus.

He indicated that this model implies a growth in production for the internal and external markets, which requires a major and sustained effort to invest in the country. This, in turn, presupposes the adoption of an attitude of confidence and consensus in the political legitimacy and the priority of social concerns.

At the same time, he indicated, the goals of expanding and redistributing income, consumption, and production, are incompatible with the subordination to international profit-seeking. Therefore, they are consistent with a radical policy of national autonomy in the external sector.

To ensure the successful execution of our model of development, he said, our national development strategy must be shaped by it.

He added that this assumption is based on evidence that the achievement of domestic peace and a stable democracy is unrealistic without the assurance of strong and steady growth in production and employment. Nor will it be possible if all that is not accompanied by a significant increase in workers' income and a sharp reduction of the situations of social deprivation in this country, as well as profound changes in the structure of production and consumption, the role of the state, and the latter's relationship to society.

Strategy

Considering that the key obstacles are external conditions and the internal problems that limit united action for development, Tantalean stated that the strategy has three fundamental axes:

--A strategy of development and economic-productive decentralization that reinforces the country's autonomy and, by narrowing the economic and spatial gaps, allows for the creation of a material foundation for an ongoing situation of justice and social peace.

--A strategy of sociopolitical development, expressed in a national mobilization for development and sovereignty, which would be reinforced by improvements in the quality of life and social equity and thus encourage society to form a united front and take action to achieve development.

--An active campaign at the international level to promote cooperation and international action to strengthen Peru's option and bring about substantial changes in the world.

From this perspective, it is of vital importance for all of society to support this effort to overcome existing structural obstacles and to help make the process toward development an irreversible one, he said.

8926

CSO: 3348/96

PERU

MINISTER SAYS PRICE CONTROLS TO CONTINUE

Lima EL COMERCIO in Spanish 28 Oct 86 p A-4

[Text] Minister of Industry, Commerce, Tourism, and Integration Manuel Romero Caro, while asserting yesterday that price controls will remain in effect in this administration, announced that the industrial sector will grow by 22.5 percent this year. This is one of the most productive sectors in terms of GDP growth.

"We will continue controlling prices for a long time, and we had better get used to it. What can be modified, however, are the specific instruments the government uses to adapt to changing situations," he said.

"Price controls will be adjusted to changing needs to promote controls that work and a program that is effective," he added.

He revealed that thus far in this administration about 8,000 price increases have been approved for various products, and a considerable number of new products have been created. Automatic adjustments for imported goods have been authorized for some time.

"All this has taken place in an orderly and progressive manner, which has prevented inflation from rising," he said.

He explained that at present some 25 to 30 minor requests for price increases are being processed.

He made these statements upon leaving Congress after attending the Bicameral Budget Committee meeting, where he explained his ministry's request. Next year the ministry will receive 40 percent less than it originally asked for, he reported.

He said that the budget that has been approved amounts to some 370 million intis, which is less than 1 percent of the total budget. Nevertheless, he indicated that there will be no problem in restoring the funds that were cut, because these are top-priority projects of national interest.

He mentioned that there are projects in the industrial sector to support artisan endeavors in industrial parks and to develop this area further. In addition, in the tourism sector infrastructure improvements will be made so that the northern region of the country can be exploited. He also mentioned the Copesco Plan.

PERU

SENATOR QUESTIONS RESERVE BANK FIGURES

Lima FL COMERCIO in Spanish 28 Oct 86 p A-4

[Text] Populist Senator Javier Diaz Orihuela yesterday questioned whether the country now has \$2.5 billion in international reserves, as the president of the republic recently claimed.

"For the health of the country's economy, the minister of economy and finance should go to the Senate to explain that these reserves exist," he said.

He indicated that Peru "has never had that many dollars in net foreign reserves in its history." He showed journalists who interviewed him in Congress the official statistics from the latest Central Reserve Bank (BCR) bulletin, which states that there are \$1.236 billion in reserves.

"Nor is it correct that the outgoing administration of Belaunde Terry left just \$700 million in reserves. The exact amount, according to the BCR itself, was \$971 million," he added.

Diaz Orihuela attributed this "erroneous" information reported by the chief of state to poor advice from government experts in the field.

He explained that as of last September, net reserves totaled \$1.236 billion. "In the last 10 years, according to this bulletin (BCR), Peru has never had more than \$1.541 billion in reserves," he said.

The senator indicated that it is not possible for them to have "multiplied by two" overnight "to reach the incredible sum of \$2.5 billion."

He explained that these international reserves include deposits abroad, gold deposited in the BCR, special drawing rights with the IMF, and other holdings including bonds in international organizations and contributions to the Armed Forces, and of course the debt to the IMF and others is deducted.

He asked whether it was possible, then, to take seriously the government's reports that the GDP has grown by 7 percent, and answered his own question:

"We doubt that figure for the simple reason that Peru, according to the BCR, says that exports total \$2.5 billion, compared to last year's export figure of \$3.02 billion. That represents a drop of more than \$500 million. Exports have fallen in almost all categories."

PERU

REPORTAGE ON RESULTS OF MAYORAL ELECTIONS

Jorge del Castillo Victory

PY111056 Lima Radioprogramas del Peru in Spanish 1820 GMT 10 Nov 86

[Text] Lawyer Jorge del Castillo, 36, who seemed to have little chance of winning the election, is virtually the new mayor of Lima. Del Castillo will be the first APRA [American Popular Revolutionary Alliance] member to be elected mayor of Lima.

During the campaign, Del Castillo strongly defended the rights of the people to buy food cheaply without fear of speculation, and promised to construct an electric railroad system.

Unofficial returns show that the APRA candidate received 34.5 percent of the total vote, 90 percent of which has been counted. Alfonso Barrantes, of the United Left, received 31.5 percent, and Luis Bedoya, of the Popular Christian Party, 26.1 percent.

Garcia's Endorsement of Candidate 'Incorrect'

PY081322 Lima Television Peruana in Spanish 0300 GMT 7 Nov 86

[Text] Leftist candidate Alfonso Barrantes has reasserted that Garcia's endorsement of APRA [American Popular Revolutionary Alliance] candidate Jorge del Castillo was incorrect. He reasserted that throughout the campaign, Del Castillo has relied on presidential support.

[Begin recording] [Reporter] Mayor Barrantes, the election campaign ends today. What is your opinion about how the campaign has developed in the past few weeks?

[Barrantes] Well, I believe that the campaign has been carried out democratically and respectfully. The debates have allowed the citizens to learn about the different issues and the candidates' different views on the problems affecting Lima.

However, things changed last night. I believe it was improper for the APRA candidate to hold a rally in front of Government House, because Government House belongs to all Peruvians, because that is where the president of all Peruvians resides. Consequently, I believe this was incorrect, to say the least. But this just shows that Jorge del Castillo is so insecure that if he is not near the president, he is lost.

[Reporter] What do you think about President Garcia's public endorsement of Del Castillo during the APRA rally held to end the election campaign?

[Barrantes] Well, many did not realize that the president did not want the APRA candidate to be beside him on the balcony. I believe this is a positive point. But I believe that the president's endorsement of Del Castillo and the APRA did not have the electoral connotation that some, particularly one of the local newspapers, have given it.

In his capacity as an APRA member, the president must vote for Jorge del Castillo. [end recording]

Barrantes Questions Castillo Victory

PY101602 Paris AFP in Spanish 0435 GMT 10 Nov 86

[Text] Lima, 9 Nov (AFP)--Lima Mayor Alfonso Barrantes tonight said that by using its influence in favor of pro-government candidate Jorge del Castillo, the government has impaired Peruvian democracy. Barrantes also said that Castillo's possible victory in Lima can be questioned.

As president of the United Left [IU], I stand for the defense of the law. It (the government) wants to use its influence to change the will of the people. I want to tell President Garcia that all sectarianism goes against history, and that democracy means a balance of powers, he added.

Barrantes, IU Marxist Front candidate for reelection as Lima mayor, said that he does not recognize Castillo's victory. He added that according to local television casts, Castillo's lead is slim.

I cannot say that they are stealing my victory, because I am patiently awaiting the official returns. I do not celebrate or stage public demonstrations before winning, like the ones that the APRA [American Revolutionary Popular Alliance] is preparing, he said.

Barrantes recalled that when he lost the presidential elections last year, he had no problem congratulating the winner, but he said that the results of the current elections are still uncertain. In the current circumstances, I would have to congratulate President Garcia, who is the godfather of this victory, and not the APRA candidate, he said.

In a statement released tonight, the IU national board said that its count shows that Barrantes leads the APRA candidate by as much as 30 percent. The

IU board believes that this margin may increase, and warns the people that there might be a presidential interference to change the results.

The IU reported that attempts are being made to impose authoritarianism in the country, and it demanded respect for the will of the people, who seek to establish democracy, peace, and justice in Peru.

Barrantes concluded by requesting that the curfew in Lima be lifted so that his followers can guarantee the vote counts.

IU Seeks Elections Annulment

PY110112 Madrid EFE in Spanish 2021 GMT 10 Nov 86

[Text] Lima, 10 Nov (EFE)--The United Left [IU] today submitted a plea for the annulment of the municipal elections held in Lima yesterday. This was announced by IU representative Hector Salazar after he appeared before the provincial electoral court.

According to Hector Salazar, one of the reasons for requesting the annulment of the elections is President Alan Garcia's campaigning for APRA's [American Popular Revolutionary Alliance] candidate for Lima mayor, Jorge del Castillo, an action which has been viewed as "meddling" with the electoral process.

Hector Salazar also claimed that many polling stations closed at 1500 local time [2000 GMT] yesterday although the National Electoral Court had extended the deadline for voting by 1 hour.

The IU stated that according to its own vote count it has won the elections by 1.3 percent and rejected the unofficial estimates based on which the APRA has announced the victory of Jorge del Castillo.

Lima Mayor Alfonso Barrantes, president of the IU and this party's candidate for Lima mayor, said this morning that he was not acknowledging APRA's victory because the initial vote count reflected a minute difference between del Castillo and himself. He added that these estimates were not final because no official vote count has been released so far.

A IU spokesman has reported that approximately 600 persons were preparing to march to the National Electoral Court headquarters to protest the situation.

Bedoya Reyes Concedes Defeat

PY101346 Paris AFP in Spanish 0128 GMT 10 Nov 86

[Text] Lima, 9 Nov (AFP)--Rightist candidate for mayor Luis Bedoya Reyes tonight conceded defeat in today's municipal elections, criticizing President Alan Garcia, who had publicly asked Peruvians to vote for the ruling APRA [American Popular Revolutionary Alliance] candidates.

Bedoya, a Christian People's Party (PPC) leader who ran for mayor of Lima, said that despite his defeat his party received the support of 33 percent of all Peruvian voters.

Bedoya made this statement after a computerized vote count undertaken by the PPC showed that APRA candidate Jorge del Castillo was winning the contest for the post of Lima mayor, Peru's most important mayoralty post, in a neck and neck race with Marxist leader and outgoing mayor, Alfonso Barrantes.

Bedoya said that over the past 48 hours the Peruvian President has been the only electoral campaign spokesman (...), disregarding Peru's noble tradition of democracy, in which presidents have always respected their fellow countrymen.

From now on my efforts will be aimed not only at the sector that supports us, but I will also struggle against the risks that President Alan Garcia's totalitarian attitude entails, he said. This is how Bedoya explained his defeat, which occurred despite previous polls which showed that he enjoyed the support of 35 percent of the voters.

The PPC leader, who appeared on a local television program, spoke after the young Social Democratic chief of state yesterday advocated support for the APRA candidate and today toured several voting booths. The president's support became stronger on the evening of 6 November during a demonstration held at Government House after a rally headed by the APRA candidate.

This public intervention by the president involves meddling; as the penal code put it; it is an aggravated, treacherous, and opportunist action, he harshly charged.

Bedoya added that the ruling party candidate was supported by a disproportionate propaganda campaign and that the PPC has filed a complaint with the National Electoral Board (JNE), charging that in several voting booths, outsiders opened the ballot boxes at noon, 4 hours before the end of the vote.

Presidential Press Communique

PY112058 Lima Television Peruana in Spanish 0115 GMT 11 Nov 86

[Communique issued by the Presidential Press Secretariat; date not given]

[Text] As the results of the municipal elections become known, some political leaders who are dissatisfied with the results have poured forth their criticism against the president of the Republic for having told a group of political followers as he arrived at the parade ground who would be his candidate. It has also been said that he manipulated the will of the voters because he was applauded and greeted when he cast his vote.

In view of these criticisms, the Press Secretariat states the following:

1. These opinions represent an offense to the voters, because the citizens are considered unable to make up their own minds and ignorant of their electoral rights.
2. Neither the Constitution nor the law forbids the president from giving his opinion. Moreover, President Alan Garcia's political ideas and tendencies are well known. It is also appropriate to note that in other countries chiefs of state participate directly and continuously in the television and public campaigns of their candidates, with no detriment to their position.
3. The president is entitled to exercise his rights, just like any other citizen. If his government action has been appreciated by the public, it does not represent an imposition, a pressure, or an order to the voters.
4. It is also legitimate for the president to defend his administration's achievements and the national reconstruction process to which he is committed.

To be the president of all Peruvians is to identify the state with the whole country and to guide its actions toward transformation. To be the president of all Peruvians means to defend our national economy before the foreign economy, to reactivate consumption and industry, and to promote the well-being of the poorer classes.

To be the president of all Peruvians does not in any way mean abandoning the political ideas and conditions for which the president was elected and which he represents and defends.

5. In conclusion, in the face of the citizenry's vote, a democratic behavior demands the acceptance of the election results and not the justification of the displeasure and disapproval with false pretexts that the results may cause certain citizens.

[Dated] Lima, 10 November 1986

[Signed] Presidential Press Secretariat

War Minister Statement

PY131830 Lima Panamericana Television Network in Spanish 0330 GMT 13 Nov 86

[Impromptu press conference granted by Peruvian War Minister General Jorge Flores Torres to unidentified reporter, date and place not stated--no video available]

[Text] War Minister General Jorge Flores Torres has ruled out the possibility of fraud in the 9 November municipal election. On the contrary, he said, the election has been instrumental in strengthening democracy.

[Begin recording] [Question] What is your opinion about the election. There are reports of a possible fraud....

[Flores] Look, it is the National Electoral Board that should answer your question. The only thing I can say is that this electoral process has been a victory for democracy because terrorists were unable to prevent a massive turnout of voters to the polls, especially in the emergency subzones of Ayacucho, Huancavelica, Apurimac, etc. In my opinion, the election has been a heavy blow to terrorism because the turnout is tangible evidence that the Peruvian people reject terrorism.

[Question] Do you believe then that the election has further strengthened democracy?

[Flores] Yes. I am convinced that the election has further strengthened our democracy. We hope to continue to steadily strengthen our democracy so that our children may truly enjoy the best we can give them.

[Question] [Words indistinct] that there have been irregularities [words indistinct]?

[Flores] I do not believe that is true for two reasons: First, the National Electoral Board allowed each party to appoint poll watchers at each polling station. Second, a copy of the documents on vote counts was sent to the Armed Forces. These copies can be compared with those sent to the National Electoral Board. Therefore, I want to assure the people that not only the government but also the whole nation want clear elections so that the winners may be those having true popular support. [end recording]

Barrantes Addresses IU Rally

PY151607 Lima Radioprogramas del Peru in Spanish 0100 GMT 15 Nov 86

[Speech by United Left, IU, leader Alfonso Barrantes to IU rally in San Martin Square in Lima--live]

[Excerpt] [Shouts, applause] Tonight we feel neither the resignation of defeat...[shouts, applause]...tonight we feel neither the resignation of defeat nor the arrogance of victory. We are here because of our sacrifice and perseverance, because of our tireless struggle for democracy, and because we are staunch defenders of the people's will. [shouts, applause]

Aristotle once said: Amicus Plato, sed magis amica veritas. I am Plato's friend, but I am an even closer friend of truth. [shouts, applause] That is why I came here to tell my own truth, to tell it to you. I came here so that you and I can jointly tell our truth, a democratic truth that tolerates neither distortion of nor an affront to the people's will. [shouts, applause]

Throughout my term I have acted democratically. Therefore, just as I did in the past--yesterday in person and today in public--we will tell the president that the people and I, both of us, reject the use of Government Palace, which belongs to all Peruvians, to promote a progovernment candidate. [applause, shouts]

We have always acted democratically. Therefore, just as we did in the past-- yesterday in person and today in public--we will tell the president that television channel 7 belongs to all Peruvians and, consequently, it should not have been used for the progovernment candidate's campaign. [applause, shouts]

We condemn the use of state funds to promote a candidate who should have run on a equal footing with us to let the people express their real and authentic will. [applause, shouts, slogans]

We condemn this [presumably the president's] silent attitude, which has tacitly approved a party program that shows little respect for the electoral organs. This attitude has been condemned not only by the people but also by [words indistinct] of his own party [shouts, applause].

Vote Counting Resumes

PY012007 Lima Panamericana Television Network in Spanish 0415 GMT 30 Nov 86

[Excerpts] Adolfo Mendez Mendez today was appointed to head the Lima Provincial Electoral Court. He is the third person to be appointed to preside over the court in the last 10 days. Leaders of the American Popular Revolutionary Alliance and the United Left have made the following comments on this issue.

[Begin recording] [Mendez] The court is not only formed by me, but by all the people accompanying me. Any difficulty that may appear will be discussed by the court. I expect all reports to be released through the proper channels and not by a single person, and that they will be the result of court decisions. The electoral process has not been interrupted; there have only been some small changes, in accordance with the law.

[Unidentified individual] Mr President, in the name of the Peruvian Socialist Party, I want to ask when the vote counting will start and when it will end?

[Mendez] In the first place, not only the Socialist Party wants to know this, because the electoral process is in the interest of all parties involved. I can tell you for the time being that the process has not been suspended, it is proceeding.

[Unidentified individual] And the vote counting?

[Mendez] We will probably resume it on 1 December. [end recording]

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CSO: 3348/118

PERU

BRIEFS

NEW ZEALAND PHOSPHATE PURCHASES--During the startup of the joint project to develop one of the Sechura phosphate deposits, the private New Zealand firm of Fletcher Challenge, Ltd, will purchase between 50,000 and 60,000 metric tons of phosphoric rock a year, a mineral fertilizer very popular among New Zealand farmers. This is one of the points of the agreement of intention signed last night by the Peruvian minister of energy and mines and Mike Moore, New Zealand minister of foreign trade and tourism, by the Fletcher Challenge representative and the chairman of the board of directors of MINEROPERU [Peruvian State Mining Enterprise]. The signing of the document was the most positive result to come out of the visit by the New Zealand trade mission, here since Sunday. The joint venture, which should take 2 years to complete, involves the investment of \$16 million by Fletcher to produce 300,000 metric tons a year. According to official information, MINEROPERU will constitute "a special mining enterprise with Fletcher and the participation of other national shareholders." The \$16 million will be used for construction of port facilities, infrastructure and a processing plant. The sale of the 60,000 metric tons a year will force MINEROPERU to expand its current facilities (a small pilot plant that produces 30,000 tons a year at Beyovar) "until it achieves a production of 90,000 metric tons a year starting in 1987." Reserves of the Sechura phosphate deposits exceed 500,000 tons. [Text] [Lima EL COMERCIO in Spanish 29 Oct 86 p A-1] New Zealand Minister of Foreign Trade Mike Moore announced yesterday his country's desire to buy phosphates from Peru. "We are an agricultural country, but our soil is not fertile, as a result of which we need to buy phosphates." He added that his country's choices for purchasing the phosphates are North Africa, Asia and Peru. "We prefer to buy from Peru because it would complete a perfect circle," Moore added, after meeting with President Alan Garcia at the Government Palace. He said that one of the points taken up with the Peruvian president was the signing of a letter of intention to mine the Bayovar phosphate deposits at Sechura. "It will provide Peru with sure revenue for export only to New Zealand, amounting to \$35 million a year." He said that at the present time, the trade balance between Peru and his country is uneven because of the substantial imports of red meat and dairy products by Peru. [Text] Lima EL COMERCIO in Spanish 29 Oct 86 p A-4] 11,464

CUBAN SHEEP PRODUCTS--In order to increase meat production in the jungle area, the Ucayali Development Corporation will bring 700 head of sheep of the Pelibuey breed from Cuba. The breed adapts well and reproduces in tropical climates

such as that of our Amazon. In order to complete the purchase, veterinarians Luis Narduzi and Antonio Trigueros went to Havana, where they will also take a practical theoretical course in the raising of this type of animal. The president of the corporation, Luis Huerto Milla, said that the introduction and breeding of this type of sheep will help enormously to increase meat production. [Text] [Lima EL COMERCIO in Spanish 27 Oct 86 p A-11] 11,464

PRODUCT SALES IN EUROPE--Paris, 24 Oct--Sales totaling \$17 million were made by Peruvian enterprises at the International Food Salon (SIAL), which came to a close in this city today. Members of the Peruvian delegation described their participation as highly fruitful, inasmuch as in addition to sales made, orders were placed for products worth \$10 million over the next 10 months. Twelve enterprises represented Peru at SIAL, considered to be the most important event of its type in Europe and one of the most famous in the world. They included the Oelhysa Corporation, Inc, Sabores Globe, Inc, International Executives, Inc, Carvalue, S.R.L., Universal Chemicals, Inc, Export Promoters, S.R.L., Northern Juices, Inc, National Fruits, Inc, Lyophilizer of the Pacific, S.R.L., INDALSA, Viru Industrial, Inc, and Food Industry, Inc. [Text] [Lima EL COMERCIO in Spanish 25 Oct 86 p A-1] 11,464

4 FRENCH MIRAGE PLANES SHIPPED--Saint-Nazaire, 24 Oct (EFE)--Four Mirage 2000 aircraft were shipped today from Saint-Nazaire (on the Atlantic), on a French freighter, headed for Peru, official sources have reported. The four planes had reached the airport of that area from the base at Burdeos. They were placed in the hold of the cargo ship "Francois Villon," belonging to the French General Maritime Company. Sources have declined to say when the ship is to leave. [Text] [Lima EL COMERCIO in Spanish 25 Oct 86 p A-1] 11,464

SOVIETS OUTSIDE 200-MILE LIMIT--"Constant, permanent vigilance over our 200-mile territorial waters guarantees that the Soviet fleet will not fish in the zone," Minister of Fishing Javier Labarthe Correa said yesterday. The minister added that there "is no agreement at the present time, but rather, a legal framework within which we can reach settlements." He said that the possibility of reaching an agreement with that country is being studied that would enable us to have two new fishing ports at Chimbote and Ventanilla. Labarthe Correa indicated that this is one of the possibilities to consider with that country, which has offered the construction of two ports and the supplying of some fishing boats, "and they would naturally receive something in exchange." He said that the agreement with the Soviet Union is a general agreement of peace and friendship through which that country fishes outside the 200-mile limit and visits our ports to repair its ships. "The fact that they are fishing outside the 200-mile limit is not just an opinion, but rather, the Peruvian Navy is effectively watching our territorial waters and has not found a single Soviet ship operating in the prohibited zone." Labarthe Correa made the statements upon leaving the Avenida Abancay legislative buildings after attending the Bicameral Budget Committee meeting, where he set forth his sector's budget for 1987. [Text] [Lima EL COMERCIO in Spanish 29 Oct 86 p A-4] 11,464

CUBAN SHEEP ARRIVE--More than 300 sheep, which will be sent to Pucalpa in Peru's Amazon region, have arrived from Cuba. This shipment results from the bilateral cooperation Cuba gives to Peru. As is known, Cuba and Peru signed a bilateral cooperation agreement on livestock production. More deliveries will be made in the future as part of the livestock development of the two countries. [Text] [Havana International Service in Quechua 0000 GMT 21 Nov 86 PA] /6662

ST LUCIA

PLP'S ODLUM SEES OPPOSITION SPLIT FAVORING RULING UWP

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 86 p 5

[Text]

CASTRIES, Nov. 21, Cana — THE CHANCES of the ruling United Workers Party (UWP) being re-elected, in a forthcoming general election here, have been enhanced by a divided Opposition, former deputy Prime Minister, George Odium, said yesterday.

Odium is leader of the left-leaning Progressive Labour Party (PLP), an offshoot of the 36-year-old opposition Saint Lucia Labour Party (SLP).

The SLP has rejected overtures from Odium for an accommodation to contest the poll, constitutionally due by August, next year.

"The bias which favours the UWP, as a result of the split Opposition, can be eroded if there is any understanding among the Opposition as to how to fight the disposition of seats in a general election," he told the Caribbean News Agency.

The PLP was formed in 1981, shortly after Odium defected from the SLP, in the face of an unsuccessful challenge of then SLP leader, Allan Louisy, for the

prime ministership.

In premature elections in 1982, which were occasioned by the political crisis, both the SLP and PLP ran separately, and together won three seats—PLP one and SLP two—as against the 14 for the UWP.

Odium said there were signs that Saint Lucians were disaffected with the UWP administration of Prime Minister John Compton, but he added that it was too early to say how much this would benefit the Opposition.

Analysts here are predicting a mid-year poll.

In response to questions about the PLP's ability to contest all 17 constituencies, Odium confirmed that the party would field a full slate of candidates, in light of the rebuff by the SLP.

Credibility Lacking

He said the SLP's candidates lacked credibility, which he stressed would be a key issue in the campaign.

"Having seen what has gone before, and the failure of both SLP and UWP Governments to realise their promises, credibility will be very important in this election," he said.

"A slate of credible candidates could do a lot of damage and sweep the ground under both the UWP and the SLP, who is supporting a slate of candidates now which has anything but credibility."

"As far as the PLP is concerned, it has to prove now that it could produce a viable slate of candidates which will, at least, take advantage of its support in the northern part of the island," Odium added.

Meanwhile, deputy leader of the SLP, Peter Josie, said yesterday that the SLP would have nothing to do with Odium.

He said the party had taken a decision that Odium would not be accepted into its membership again.

Josie, a former Odium ally in the SLP, pledged support for leader Julian Hunte, and denied that he was leader of a faction inside the SLP that sought to challenge Hunte's position.

The observation by Odium that "there is a Josie faction inside the SLP is false, fictitious and calculated to deceive. I am deputy political leader of the SLP, and I fully support Julian Hunte as political leader," he said.

"The Labour Party is anxious to take the reins of power in order to give Saint Lucia back to Saint Lucians, and the party has prepared a social and economic programme to that effect," he said.

"We are confident that, as a political party, we can do this alone, and our plans are to contest all the constituencies in the next general election."

Josie also said several persons who left the PLP with Odium and ran as PLP candidates in the last election, had applied for re-admission to the SLP. He suggested that they would be accepted.

"The party has decided that George Odium and John Compton are the only two persons who will not be accepted in the Saint Lucia Labour Party," he said.

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CSO: 3298/048

ST LUCIA

MINISTER CALLS FOR TRIPARTITE COOPERATION AGAINST PROBLEMS

Port-of-Spain TRINIDAD GUARDIAN in English 21 Nov 86 p 11

[Text]

CASTRIES, Nov 20, Cana -ST LUCIA'S Labour Minister Clendon Mason has urged trade unions and employers to join Government in pooling tripartite resources to combat poverty and unemployment here.

It was the second such call by an official of the St Lucia Government to develop the tripartite structure here.

Several years ago, Government called several meetings of trade unions and employers along with itself, in an effort to promote a "salubrious national industrial relations climate."

However the initiative failed as trade union representatives appeared to have certain reservations.

"Whether the reservations were about the concept of tripartism itself, whether it was the fact that all trade unions would be compelled to come together to represent the workers in one voice, I am up to this day not able to say," Mason noted.

"If the trade unions in St Lucia have any doubts, fears or reservations about Government taking the initiative in consolidating tripartism here, then let the trade unions take the initiative in calling for dialogue upon the attainment of an equitable labour and special code in St Lucia," he added.

In an address to a seminar for civil servants here, the Minister threw out another challenge to local labour unions to form an umbrella trade union congress.

"Before the tripartite level can be attained each party must have arrived at unity within its own ranks. There is one central government and one employers federation in St Lucia but one trade union congress is still an elusive dream," Mason said.

He added that in the elementary stage, the three parties must be sufficiently mature to be able to sit, talk, discuss, argue and at times disagree together but still appreciate each other's point of view.

"Let the union assume the initiative in inviting their other two equally united social partners to the table of brotherhood, there to constructively plan and work together towards attempting to solve the most pressing problem facing mankind today, namely unemployment and poverty within our nation," he said.

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CSO: 3298/048

ST LUCIA

COMPTON CALLS ON OECS TO CONSIDER FORMATION OF UNION

FI142009 Bridgetown (ANA in English 1730 GMT 14 Nov 86)

[Text] Castries, 14 Nov (CARA)--St Lucia's Prime Minister John Compton has called on the seven-nation Organisation of Eastern Caribbean States (OECS) to give serious thought to the formation of a political union, saying he is convinced that working together they can solve their problems of poverty and under-development within a decade.

Compton, addressing businessmen, said that without sentimental nationalism the OECS members must consider whether the idea of all the islands wearing the paraphernalia of independent nations made economic sense.

The OECS comprises St Lucia, Dominica, Grenada, St Vincent, St Kitts and Nevis, Antigua and Barbuda, and Montserrat. Montserrat, a British colony, is the only island yet to gain political independence.

The total population of the area is less than 500,000--about the size of a small city. Yet we maintain seven governors general, seven prime ministers, 50 ministers, and a civil service of over 10,000, costing some 500 million dollars (one EC dollar--37 cents U.S.) per annum, Compton said Wednesday night.

He told the businessmen: When one considers that the total international assistance to these islands is less than 35 million dollars per year, one can imagine what a difference it will make if by saving a mere 10 percent of this staggering cost of 500 million dollars we invest 50 million dollars annually in the development of these islands.

Compton said that some newly independent countries squander their resources on the military. We in the Caribbean squander ours on a bureaucracy which continues to grow...consuming an ever increasing slice of our national income, he complained.

He said the OECS must now give serious thought to some sort of political union, as I am now fully convinced that with careful planning and judicious use of resources, St Lucia and the other OECS countries can within a decade, well before the 21st century, extricate themselves from the mire of poverty and under-development.

He describes the countries of the eastern Caribbean as being faced with the same difficulties, and said they should seriously examine the question of whether a joint approach to solutions was possible.

According to Compton, this will enable the countries to provide for our people an acceptable level of living without being on the breadline of the international community and like specks of dust always getting into somebody's eyes.

He added: Nature has been kind to us. We have no extremes of climate. We have no hostile borders to defend. Everything grows in profusion.

In an age of air travel we are well placed to expand our tourist trade and, by pooling our industrial production, take fullest advantage of the CBI (Caribbean Basin Initiative) which offers us, however inadequately, our best opportunity for industrialisation.

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CSO: 3298/048

ST LUCIA

STATISTICAL OFFICE REPORTS ON 1985 IMPORTS. EXPORTS

FL171759 Bridgetown CANA in English 1926 GMT 16 Nov 86

[By Earl Bousquet]

[Text] Castries, 16 Nov (CANA)--St Lucia chalked up an 11 million dollar surplus in its 1985 food trade, but other aspects of the export-import business were gloomy.

Domestic food exports were the brightest spot in last year's trade picture, with sales estimated at 84 million dollars (one EC dollar--37 U.S. cents). But an overall visible trade deficit with the United States persisted and exports to Caricom states fell.

Figures released by the government statistical department show that St Lucia imported 82 million dollars worth of goods from the European Community, exporting goods valued at just a few hundred dollars less to Europe.

In the case of the United States, last year's total trade was valued at 120 million EC dollars, with a deficit of over 86 million against St Lucia. In the previous year, the deficit was even wider, at 96 million dollars.

St Lucia imported more than its Caricom neighbours last year, while they imported less from Castries.

Imports from Caricom countries increased from 53.8 million dollars in 1984 to 64.5 million last year, while exports decreased from 32 million dollars to 25 million.

The largest trade deficit within Caricom came from Trinidad and Tobago. While 31 million dollars worth of goods were imported from Trinidad (mainly fuels), only 3 million dollars worth of St Lucian goods were exported to Port of Spain.

The trade deficit with Trinidad and Tobago is widening, now standing at 29 million dollars. In 1983 it stood at 11 million dollars, and in 1984 it was up to 19 million dollars.

Imports from Kingston increased from 4 million dollars in 1984 to 5 million dollars last year. But exports to Jamaica fell sharply from 3 million dollars worth in 1984 to just over a half million in 1985.

Some Caricom states did suffer deficits in trade with St Lucia. Dominica, which exported only 1.7 million dollars worth of goods to St Lucia, imported goods valued at 8.6 million dollars from its southern neighbour.

In overall terms, the statistics show that the island's trade deficit grew last year by 6 million dollars.

Total trade reached nearly 478 million dollars in 1985, increasing by 28 million over the 450 million dollars recorded in 1984.

Of the total trade bill, 337 million dollars went to imports, with just over 140 million earned from exports.

But exports last year grew over 1984 by 11 million dollars, the statistics show. Last year's deficit was 197 million dollars.

Regarding the spending bill, the largest portion went to food imports, which amounted to about 73 million dollars. This was followed by manufactured goods (62.9 million dollars); machinery and transport equipment (62 million dollars); miscellaneous manufactured articles (44 million); chemicals (39 million); and fuels and related materials (35.5 million).

Meanwhile, St Lucia's balance of trade with Japan continues to widen with the importation of Japanese-made vehicles.

St Lucia exports nothing to Tokyo, but last year alone some 8 million dollars' worth of vehicles were imported, the majority of them from Japan.

According to the annual overseas trade report for 1985, 593 motor cars and station wagons were imported through customs, valued at 8,067,000 dollars. In 1984, 572 were imported, costing 7.4 million dollars. Last year's vehicle figure was reported as the highest since 1980 when 652 cars passed through customs and excise.

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CSO• 3298/048

ST VINCENT AND THE GRENADINES

MITCHELL CHARGES U.S. HAS LOST INTEREST IN CARIBBEAN

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 86 p 4

[Text]

MIAMI, Nov.21, AP — PRIME MINISTER James Mitchell of St. Vincent and the Grenadines was critical of U.S. protectionist sentiment and charged that the United States has lost interest in the Caribbean since the 1983 ouster of a leftist government in Grenada.

Mr Mitchell, speaking at the 10th annual Miami Conference on the Caribbean, said "now that the security threat in the Caribbean has abated, Congress cut back the financial allocation by some 35 percent and in so doing, tells us we can languish in peace, as we are no longer a priority area."

Referring to the Caribbean Basin Initiative (CBI), which offers 12-year, duty-free entry for most Caribbean exports into the U.S. market, the Prime Minister said tiny countries like his have benefited little because they lack the necessary infrastructure and trained personnel to lure investors.

He said the struggling islands can be destabilized by the "drug mafia" and proposed that the United States develop biological means to control growth of marijuana and the cocaine base plant.

"The drug plants suffer

from no diseases or pests and are far easier to grow than winter vegetables," he said at a conference luncheon. "It will really help if we can infect marijuana and the coca plant with some diseases."

Tourism

Mr. Mitchell, elected in 1984, warned that social and economic development in the Caribbean is necessary to prevent a leftist resurgence. He called for Congress to mandate a Caribbean job quota for U.S. investors.

"We do not want to put Americans out of work," he said. "If Americans are unemployed, it is not good for our tourist industry. A thousand jobs in a Caribbean country cannot threaten any billion-dollar industry in the United States."

"If the Congress can't fit us into their scheme of things, then they're telling us they regret the Caribbean exists."

Lady Young, the British Minister of State, told the conference that Britain is trying to ensure economic development of its former colonies and five

remaining dependencies in the region and also offers help in fighting drug traffic.

She added that London is hopeful it can repair relations with Guatemala, which claims the territory of Belize.

"We naturally maintain a special link with the only central American Commonwealth member," she said. "At the same time, we have been encouraged by the improvement of bilateral relations with Guatemala following the election of a democratic government, which we warmly welcomed. We look forward to a restoration of full diplomatic relations. We hope this can be agreed upon soon."

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CSO: 3298/049

TRINIDAD AND TOBAGO

MAIN OPPONENTS IN ELECTION SPELL OUT POSITIONS

Text of Chambers Address

Port-of-Spain TRINIDAD GUARDIAN in English 14, 17, 19-20 Nov 86 p 9, 18 Nov 86 p 5
18 Nov 86 p 5

[Text of speech by Prime Minister and leader of the People's National Movement George Chambers at University of Woodford Square rally on 9 November 1986]

[Text]

ON NOVEMBER, 9, 1981, you the people of Trinidad and Tobago gave us (PNM) a resounding mandate and it may be recalled that in the election run-up to that overwhelming vote of confidence I had put the country on notice that difficult and lean times were ahead.

You may also recall that in painting the picture of the future which I anticipated I was particularly careful to advise the national community that the difficulties would be brought about by forces beyond our control, namely international events.

My friends, my words have turned out to be prophetic.

Consequently, in the parliamentary term just coming to an end, it has been necessary to take tough decisions affecting the economic life of the country and to the extent that your Government has had to do so, I have been greatly heartened by the understanding of the community at large.

Need For Consensus

You the people will soon have to decide into whose hands to entrust the affairs of this beloved country of ours.

Not that I believe that this will present you with any difficulty.

For my part, I have been disappointed that those who seek to dislodge us from office instead of focusing the nation's attention on the need for consensus in the face of the external threats to our livelihood, cavalierly dismiss the realities of our

situation and preoccupy themselves with how long PNM has been in power.

But in the final analysis the choice before you is the continuation of stability, peace, progress and good government which are the hallmarks of successive PNM administrations.

It is either that or chaos. We have faced you before with our record of demonstrated capability to govern in the interests of all the people, in good times and in bad times and we have kept faith with you.

That is why PNM has been the national choice, time and again, showing unmistakably your confidence in our stewardship.

And so, true to my own style of telling you the facts, I will today speak to you about matters which I consider to be of profound significance to the choice you have to make.

I cannot in good conscience come here to mamaguy you as others will no doubt attempt to do in the days ahead either singly or allied. My friends the matters I shall discuss are:

- Management of the economy;
- The economic issues facing the nation, including the role of the people;

54 The political issues facing the nation, including public accountability and integrity in public life, Trinidad and Tobago in the international community; and,

- National choice and the alternatives.

Bread And Butter

Let me start with bread and butter: The management of the economy. The last three years have been

lean, but let us put them in perspective. Naturally we all would like to see improvement in our living standards every year.

But economic life is never one smooth, upward, effortless climb; it has never happened anywhere.

Recall, for example; that even during Biblical times there is record of seven fat years and seven lean years.

Modern life is no different; economies experience a succession of ups and downs but characteristically, better levels of living are achieved over time.

Whether we examine the 30-year period 1956 to 1986 or the 13-years 1973 to 1986, our experience has been no different from this pattern.

On the whole, however, the performance of the Trinidad and Tobago economy has been enviable, even though during the last five years we have had to meet the challenge of managing the economy in a time of falling incomes, and no abatement of the expectations bred in the period when incomes were higher.

Let us look at the facts:

Broad Perspective

First, the broad perspective: In 1956 the basis of the economy was export agriculture and mining.

Most of the agriculture was plantation production of raw sugar, cocoa, coffee, bananas, citrus and coconuts with very little production for the home market.

Mining was confined to land based oil and asphalt. Look at it today.

The emphasis in agriculture is on production of milk, meat, eggs, poultry,

try, fish, fruit and vegetables for the home market.

Off-shore oil and natural gas production now represent the greater part of our natural resource exploitation.

Manufacturing which was just emerging in 1956 is now an important productive sector: witness Point Lisas and the industrial estates in Diamond Vale, Champ Fleurs, O'Meara — Arima, Trincity, Point Fortin, Plaisance, Pointe-a-Pierre, Chaguana, and Milford, Tobago.

Look around you and you get a picture of a comfortable standard of living widely dispersed.

Have we forgotten our modest facilities of 1956? What we have today represents the translation of our resources into a modern industrial country in the record time of 30 years.

But this did not all come about by chance. We had to plan it out carefully and proceed in orderly stages.

First we focussed on the human resource, the people, and provided educational opportunity for all the young, free of charge.

The Fiscal System

From very early we set about creating the framework for broad-based industrial and commercial development by:

- Reforming the fiscal system;
- providing generous incentives to private enterprise;
- modernising the supportive banking and financial infrastructure;
- creating relevant development institutions;
- strengthening public sector administrative capability; and
- developing the people's sector.

Finally, we became directly involved in business enterprises, first coming to the rescue of certain companies and later providing risk capital on a scale and in directions beyond the capability of the local private sector.

Our strategy was to diversify the production base especially for exports and therefore to enter the world markets for manufactured goods on a large scale.

In a word, our long-term strategy for economic transformation entailed the shifting away from producing agricultural commodities for declining export markets to manufacturing goods for growing industrial markets.

Let us now focus a bit on the period 1973 to 1986 when we enjoyed the bonanza of sharply higher oil revenues: first in 1973-74 and then in 1979-80.

At least in respect of this period memories must be fresh.

• Our utilities were bought up to acceptable standards partly to meet citizen needs and partly to complement the economic thrust: highways, public transport, water supply, electricity, telephone, airports, air transport.

• major public facilities were put in place, such as schools — junior secondary, senior secondary, senior com-

prehensive, composite — modern health centres, the Scarborough Library, the Jean Pierre Complex and National Stadium, the twin towers of the Eric Williams Plaza, the Hall of Justice, the Eric Williams Medical Sciences Complex at Mt. Hope, Expansion of the Engineering bloc at UWI.

• people's welfare projects were given new emphasis: especially housing by means of an extensive building programme and providing large scale support to individual effort through the Trinidad and Tobago Mortgage Finance Company (TTFM), the National Insurance Board (NIB) and NHA interest-subsidised loans and.

• the Point Lisas industrial estate with its deep water harbour and natural gas supply was created and world scale high technology plants were built.

Those who have eyes to see let them see.

With the influx of the higher oil revenues the one thing we were also not short of was advice from all quarters on how to manage the economy.

There were those who said "leave the oil in the ground," while at the other extreme there were clamours "run the bread."

Higher Revenues

We as the Government, true to form, decided to produce the oil, earn the revenues and carefully plan how to use the money in the best long term interest of the nation.

With the benefit of hindsight, it may be easy for some to say we attempted to do too much, not too little.

Had we done less the accusation against us would have been what we disregarded the interests and needs of the people.

Still there are those who continue to ask "where'd the money go?" As guardian of the public purse I have never shrunk from giving full account to the public. Let me summarise once more what we did.

• We spent some of the money to cushion the cost of living through subsidies on basic goods and services.

• we expanded public and welfare services thereby bringing to the population at large added benefits.

• we put in place very many capital works which the country sorely needed, some of which had been deferred for lack of money: utilities, public facilities, productive enterprises.

• at the same time, we placed surpluses in funds for financial capital works essential for long term development of the economy, and.

• though we took the sensible stand for moderation in wage increases, we did raise pay levels in response to democratically based pressures which, may I remind you continued to mount well beyond the period when revenues were increasing.

Private Sector

And don't forget that all this expenditure generated incomes, profits and employment in the private sector.

That is where the money gone. What we did with the money is all properly vouched for in the annual reports of the Auditor General and as if that were not sufficient we have in three issues of "accounting for the Petro-dollar", given a comprehensive overview of the use of public revenues in this crucial period.

The detractors allege that these statements are not in a form which the public can readily understand.

I, however, will not be the one to insult the intelligence of the people by accepting that.

What is more, and just in case you don't know, all of this expenditure had to be approved by Parliament.

In each year from 1973 to 1986 there was not a single dissenting voice on the other side.

In fact, to the extent that they disagreed, it was to propose more expenditure, not less. If you doubt me check Hansard.

In the last five years, as you know, the flow of revenue from petroleum has been considerably slowed. First oil prices stagnated between 1981 and 1984.

Good Fortune

During this period we were able to draw on the savings which we had the foresight to accumulate in the prior years.

Then there was the drop in 1984, followed by the dramatic collapse of oil prices this year.

Let me remind you that the order of magnitude here is a fall from (US) \$28 a barrel in January 1986 for spot crude to a low of (US) \$9 in June recovering to (US) \$13 on October 28 last.

If when the price of oil rose in 1973-74 from (US) \$3 a barrel to (US) \$12, and again from (US) \$12 to (US) \$35 in 1979-80, we took advantage of our good fortune, I ask you, what must we do when the price falls by half in a few months?

We have no choice — reduce expectations, moderate our demands and above all become more self-reliant. And we all have to do just that.

Between 1983 and now our adjustment budgets have been so tailored, trimming the suit to fit the cloth.

All of you understand that. The only people who are pretending not to know the facts are those who would wish to trade on the natural preference of people for more rather than less, to create false hopes in people's minds.

We have to face the facts of life squarely. We did not cut the price of oil. Neither did we raise it in 1973 or 1979.

I have at no time hidden the facts from you. Indeed I have sought first

Budget Speech of this term that I exhorted the nation to recognise and accept the need for adjustment.

Our current level of spending is more nearly what we can afford, and only if we succeed in producing and exporting more can we hope to raise our expenditure somewhat.

Credit Rating

This is a realistic assessment by those of us with experience in managing this economy. It is an assessment which has been endorsed by international agencies.

The result of this prudent management is that up to September this year, the country's credit rating, as reported in authoritative professional publications, was number three in the Americas, that it after the United States and Canada and number one in Latin America.

It is a fact that Trinidad and Tobago is the only country in the hemisphere, excluding the United States and Canada, which has not been to the doors of the International Monetary Fund.

We achieved all this, my friends, without accepting the gratuitous advice to call in the magician to run the country!

The task facing us in the immediate future continues to be to find ways of limiting the adverse effect on the nation of the collapse in oil prices which has taken place this year.

Economic Policies

There was no shortage of Jeremiahs reminding the fact that oil is still too important in our economy and bemoaning our vulnerability to events over which we have no control.

The oil which they seem to curse has allowed us to create the highest standard of living among the developing countries of the world.

Not every people take for granted the standard of living which we have been able to attain but this is not just the result of good fortune. Far from it.

It is the economic policies of successive PNM Governments which have permitted us to fully develop our natural resources and to ensure that the bulk of the money earned from their exploitation was returned into our country for the benefit of the people.

The fact is that oil is and must be important to us. We must always be prepared, however, to manage the impact on our country of changes in the price of oil whether favourable or not.

Having contained the effects of severely lower oil prices, we can focus sharply again on the continuing and necessarily long-term programme of developing many new areas of economic activity on the solid foundations laid over the years.

The primary goal in this respect is to strengthen our ability to hold our home markets and to compete abroad.

This, as I have said so often, requires us to raise our productivity.

In this way, we shall augment our capacity to earn foreign exchange over a wide range of manufacturing activities.

We ourselves set the base for reducing this country's dependence on oil for export earnings by the investments at Pt. Lisas, and by the generous incentives specifically geared to stimulate non-oil export manufacturing, and the growth of tourism.

Important Goal

Another important goal is the continued diversification and expansion of the agricultural sector with a view to producing more of the nation's food requirements and supplementing agricultural export.

As a result of this policy we will attain greater self-sufficiency, conserve foreign exchange and also add another source of such earnings.

Ultimately, it is the foreign exchange we earn which enable us to import the wide range of goods and services to support our standard of living.

PNM will continue to encourage those new businessmen who are showing the drive and vision to capitalise on our strength.

We shall not allow our attention to be diverted by those who simply wish to survive as importers and commission agents.

Job creation and job conservation have always been key concerns of PNM. As you know the PNM Government has created most on the new jobs in this country in the last 30 years.

With the present tight financial position private business and self-employment should supplement the efforts of government.

The new entrepreneurs of whom I have just spoken are the people who we expect to use the benefits which we have created to stimulate new investment, including partnerships with foreign investors.

The confidence which investors have in this country under our leadership is well illustrated by the expansion now taking place at Iringen in Pt. Lisas.

Neither the foreign partner in this venture nor the Government has had to guarantee the loans required for financing this expansion.

Funds Needed

Moreover, the International Finance Corporation (IFC), a subsidiary of the World Bank, is lending US\$190 million of the funds needed for the project.

This let me tell you, is the largest single financing by IFC ever undertaken in any country — large or small — and bear in mind the IFC has been in existence since 1956 and has a membership of 129 countries.

If this is not a demonstration of confidence in Trinidad and Tobago, tell me what is.

As a Government we have done more that point our citizens in the direction of self employment: we have provided money to get this going especially among the youths.

In the 1986 Budget we provided the modest initial sum of \$1 million and got down to action. Here are the results.

We have funded 243 projects, making loans to 179 individuals and to 64 groups. There were beneficiaries in every single county and in Tobago.

These youths have set themselves up in a wide range of business including welding and muffler works, nursery schools, dressmaking, handicraft, electronics, poultry rearing, agriculture, and in manufacturing.

With a little help from Government many young people have shown will to help themselves.

I suggest that more people can do more to earn their livelihood and in the way contribute to the economy.

PNM has always made it clear that Government cannot and must not do everything.

Obviously, there is a greater role for the people to play in the country and in our medium term plan which is in the course of preparation, we propose to provide more funding to encourage individual drive and initiative.

We will support community efforts to develop and maintain themselves and in so far as these efforts are successful, the burden on the public purse will be reduced.

I cannot help but comment, however, on what I detect to be an expectation which is creeping into the society that having provided free primary, secondary, technical and university education, the Government must also provide jobs for these graduates.

May I remind you that Government's investment in education was not intended to make citizens more dependent on the State but less so. We must shed our hesitancy to strike out on our own.

Much has been said about the widening scope of the state enterprise sector. PNM sees these investments as holding a trust for the people, for you and your children.

We insist that divestment of privatisation of these assets, acquired with the people's savings, must not take the form of a giveaway to those few vocal private interests which wish to grab the most profitable investments for themselves while urging us to liquidate those which are not yet commercially.

Early Options

The ready recourse to retrenchment and receivership as early options in these times which challenge the mettle of management, demonstrates only too clearly how some of our investments might have fared had they been privatised.

By contrast, while still under the ownership of the people we are beginning to see a turnaround in many of these enterprises.

We recognise that many of the old habits and procedures of the public bureaucracy are not suited to the needs of a modern society and economy.

Interestingly enough, those who complain most strenuously about bureaucracy and red tape are often the very ones who run to Government seeking succour when they encounter difficulties in operating their businesses, including the "difficulty" of free competition of which they are the champion.

Meanwhile we have been taking steps in an orderly fashion to reform outdated practices.

For example, we have begun to implement the policy decision taken to introduce computerised systems to raise levels of efficiency in Government and to provide better services to citizens.

Such systems are in place in:

- The Ministry of Industry, Commerce and Consumer Affairs for the issue of import licences;
- The Transport Division of the Ministry of Public Utilities and National Transportation for the issue of drivers' permits and motor vehicle licences;
- The Inland Revenue Division of the Ministry of Finance and Planning for the processing of tax returns;

Lists Of Voters

- The Immigration Division of the Ministry of National Security for streamlining the operations there;
- The Elections and Boundaries Commission for permanent personal registration and the preparation of Lists of Voters;
- The Central Statistical Office for the Processing of national statistics;
- The Ministry of Labour, Social Security and Co-operatives for the issue of cheques to old age pensioners; and,
- Several Ministries for the preparation of payrolls.

Systems are in various stages of development, for example:

- In the Customs and Excise Division of the Ministry of Finance and Planning in respect of the country's import and export trade; and,
- In the Land Registry of the Ministry of Legal Affairs.

A programme of decentralisation of Government services to the public is also underway, for instance:

- The opening of local registry offices in Arima, San Fernando and Tobago to facilitate the citizen who must obtain vital documents such as birth certificates; and
- The establishment of sub-licensing offices for the issue of drivers' permits and motor vehicle licences in various locations in Port of Spain and in Arima, San Fernando, Scarborough, San Fernando,

Chaguanas, Point Fortin and Princes Town.

There is much more still to be done. The one-stop shop facility must be streamlined; the trade facilitation project which is designed to remove impediments to exporters will be implemented fully.

We shall be vigorously pursuing other reforms of public service procedures during the next five years with the renewed mandate which I know our party will receive from the people of Trinidad and Tobago.

And what about this business about lowering taxes. PNM's record shows only too clearly its readiness to relieve the tax burden whenever such action is affordable and in the national interest.

Let me remind you that if in 1974 you had a gross income of \$3,200 and claimed personal allowances for yourself, wife and three children you would have paid no taxes.

Today, with an income of \$12,000 the same household will remain outside the tax net.

Great Caution

But PNM is experienced and responsible enough to know that relief on income and other taxes can be given only to the extent that new sources of revenue emerge.

Those who speak glibly about tax cuts (incidentally a borrowed term!) must tell you up front how they propose to make up the shortfall.

Is it by increasing the cost of gasoline for example, and thereby the cost of living or by retrenchment in public service employment?

Fully seized of the complexity of this issue, the Government appointed a Tripartite Committee in December 1985 to examine in a comprehensive manner the scope for reduction in taxes.

The Committee has recommended great caution in view of the collapse in oil prices, uncertainty as to the future course of those prices and the limited scope for reduction of public expenditure without large scale retrenchment in public sector employment.

All that can be promised at this time by a responsible party is to be flexible, to hold the line on public expenditure as far as possible and to reduce direct taxes payable by individuals and companies to the extent that our revenue position and our development plans for the country permit.

We know better than to insult your intelligence in a cheap manoeuvre to capture votes.

What our record demonstrates therefore is that the PNM has nurtured and maintained stability and progress in this country.

Progress has taken place in a stable environment with peace and order. On the international front we have brought the nation to the point where, tiny as we are, our voice, heart and our views are respected.

We are known to adopt a balanced view and to eschew expediency.

The positions we have taken have been based on our absolute and unqualified recognition of the sovereignty of every state, whether large or small, to determine its own domestic affairs.

It cannot and will never be said that we approach anyone for arms to overthrow anyone else.

The Issues

What then are the issues in this election ladies and gentlemen. The real issue for the other side -- or is it sides -- is power.

They find that our party has been in power too long and the wicked individual, the majority of whom could not find their way in PNM, will form and reform into every conceivable type of group to gain power.

But politics and governing are serious affairs -- not a game. Above all this is not like a cricket game where the PNM team batting too long.

If they can't bowl us out, must we declare and give them a chance to bat too? No way! The captain of this side say we not declaring; we not in dat. Tell them so. If they want to bat they must find better bowlers, not has beens.

Seriously though, ladies and gentlemen what they are about is a naked and unashamed quest for power. Power to do what with, you may ask.

Let me tell you, as I told the Assembly of Women which I addressed in El Dorado not long ago.

What is being sought is not just a change of Government, their purpose and intent are to destroy the positive influence which PNM has had for 30 years on the life and character of this nation once they put their hands on the levers of power. That must not be allowed to happen.

THEY know that our economic policies and prescriptions have been fundamentally right; they talk of too many restrictions; well, I dare them to remove import restrictions and foreign exchange controls -- the much maligned E.C.O and E.C.I systems and see what will happen.

How many jobs in the Government and public services will they declare unnecessary or redundant as they move to cut public expenditure? Ask them that.

Remember that one of our neighbours to the North was persuaded to attempt measures along these lines for the of rolling back the hand of Government on the economy or some such trite clinche.

Ask them what has been the experience of that country. Are the people better off as a result?

What is true of our economic policies is equally true of our social policies. Tell me in their pursuit of public expenditure reduction do they dare touch the levels to which PNM has taken assistance to the aged, the needy and the pensioners?

What about health, housing and education, what will be the thrust of their policies to provide you with, better life? What about the utilities, what is their

policy toward them? Privatise? Sell them out? To whom?

And then what restraints will there be on the prices you have to pay for the services, which under this new dispensation, will have to be made to pay for themselves. At what cost, more retrenchment?

Primary Concern

Ask them that? What about industrial relations policies? There, ladies and gentlemen, believe me, when you look at the composition of the other side, and I'll have more to say on that later, we really do not know what to expect; for one faction is strike prone another is lock-out prone and I will be generous enough to think that there must be those in the middle. Whatever that is or turns out to be.

Over the next days they will speak of all manner of things, but their primary concern is power. They are saying that 30 years is too long for any Government to stay in power and for that reason there must be a change.

It is the fault of the PNM that we have been, and will continue to be, the only real national party, and that as a result you have given us six mandates to govern?

We are not a convenient grouping of individuals or parties. We are a truly representative national party. No one was coerced to keep us in power; the people chose freely because we kept faith with you and because we have been willing to discuss issues with the utmost candour.

In that same spirit, I cannot honestly say that we have not made some mistakes. We, the PNM, have never laid claim to infallibility, and we will not do so now!

What they will seek to make a song and a dance about are issues like integrity in public life and public accountability.

You see, they think, and they will have you believe, that we are vulnerable there. Let me tell you unequivocally that we are not.

The PNM has always stood for integrity and morality in public affairs. It still stands for that. For me, the principles of integrity and morality encompass the citizenry as a whole. The PNM membership is drawn from the national community and, as you know, not every one in the society is a saint.

Clear Consciences

However, I am satisfied that the greatest proportion of our citizens practice these principles in their daily lives and therefore they can go to bed at night, as I do, with clear consciences.

Let us accept the fact that one cannot legislate for morality in its broadest sense.

In deference to the national perception that there is a need for legislation to remove the suspicion of corruption and

immorality from persons in public life, we made provision in the Republican Constitution for an Integrity Commission to act as watchdog.

As we stated since 1976 in our manifesto, however, the Integrity Commission provided for in the Constitution did not adequately reflect PNM's traditional emphasis on morality in public affairs.

We have always favoured broader legislation to include the whole Parliament and a wide range of senior public officers including spouses.

We made no secret of our views; indeed they were presented to the country in a White Paper which we laid in Parliament in 1978 and on which public comment was invited.

In the debates on this matter both in and out of Parliament, many voices were raised advocating the narrowing of the reach of the Commission both as to its powers and as to the persons who should fall under its purview.

In fact the Opposition in Parliament could not make up its mind on this issue, calling publicly at one time for a long list of persons to be subject to the jurisdiction of the Commission and advocating in the Parliamentary debates a more restrictive list.

The Reasons

These are the reasons why up to today our attempts at this legislation have failed in Parliament.

Notwithstanding this, and in our attempts to more effectively treat with instances of corruption in public life, we proceeded to have amendments made to the Prevention of Corruption Ordinance.

It has always been our view, however, that morality in public affairs should not be limited solely to bribery but should also extend to immorality that arises from misuse of information gained by virtue of holding a public office and from conflicts of interest.

By and large, I am not satisfied that there is sufficient sensitivity to these pitfalls.

I go further and ask the question: Is it only Ministers, other members of Government and officials of public enterprises who are open to the corrupting influence of these temptations?

Can we say that private individuals and officials of private companies are not exposed to the same bribery, conflict of interests and misuse of information for personal gain?

Or is it only because they are not in the glare of public light that we do not see the moths in the eyes of some of those casting stones.

Ladies and gentlemen, it is a matter of public record that there are only two Political Leaders who have publicly declared their assets—my predecessor Eric Eustace Williams and George Michael Chambers.

I stand ready at any time to again disclose to the public my assets.

In Trust

Let me remind you also that it was during the years when we filled all 36

seats in the House that we, the PNM, established the Public Accounts Enterprises Committee (PAEC) to review the activities of the many commercial enterprises in which the Government is the shareholder in trust for the People.

We also extended the responsibilities of the Auditor General to include these enterprises.

More recently, to the extent that it was perceived by some that the PAEC did not have sufficient powers to undertake its watchdog role, we suggest ways to strengthen these powers.

This matter is now engaging the attention of a Select Committee of the House.

I will have you know as well that your Government has not compromised the integrity of the nation in its international relations, neither with our Caribbean neighbours and friends, nor in international fora, and not in our bilateral relations with any country.

The Success

We have taken positions of principle which in the final analysis have earned us international respect.

The success of the efforts of the protectionists in developed economies against Trinidad and Tobago's products entering their markets should serve as a reminder to all that in international politics and economics are intertwined.

What is lamentable, however, is that not only have we had to fight on the international stage, but we also found ourselves battling protectionists abroad with one hand tied behind our backs.

The Cassandras at home who can only criticise, who lack vision to see beyond their narrow political concerns to the wider welfare of the nation, provide ammunition, deliberately or otherwise, by broadcasting uninformed and mischievous statements that only hurt the nation. Would you believe that some of these very people are now seeking your suffrage. I say reject them.

When I addressed the Assembly of Women a few weeks ago, I warned of the threat to us as a result of the misinformation and disinformation fed to the people by those who abuse the freedom of the Press which the PNM has nurtured and will continue to guarantee in Trinidad and Tobago.

Yesterday and today we carefully reviewed our Manifesto replete with the facts of our performance in the interest of the people over the last 30 years.

When you leave this meeting and over the days and weeks ahead you must take this information to your friends and family, your neighbours and your communities, since we may not be able to rely on complete objectivity in the reporting of the Press.

The Choice

So what is the choice in this election, what are the alternatives? It would be nice to have a good challenge, we would welcome a good fight.

But who is the competition—a band of former PNM dissidents, a federation of disparate elements—the far left, the far right, the inner left, the inner right with no visible centre-forward.

You and I know only too well our experience with federations: — a coalition — where have coalitions really survived — Italy, Belgium, India, Zimbabwe?

Composed as they are of people who call for general strikes, Public Order legislation experts, they don't even lack those who call for assassination of Government Ministers and expropriation of private property in violation of the Constitution.

Worse than that, my friends, we now have "political leaders" prepared to usurp the powers of the Director of Public Prosecutions.

On what basis, I ask you, does a political leader who aspires to be Prime Minister determine who is to be charged or not charged — and for manslaughter to boot?

Is this a signal to the country to expect the provisions of the Constitution to be flouted?

Are we headed towards an era of political trials?

It is unforgiveable enough for the majority of the people of Trinidad and Tobago to have been described as foreigners and strangers in their own country. Now this

No the choice is not difficult. On the other side is a collection of individuals hard pressed to stand firmly together.

By contrast, the PNM is a disciplined, cohesive, well-knit, fully integrated party with over 30 years experience.

We have formed six Governments. Our team includes experienced campaigners, Ministers of international stature, skilled in the diplomacy practised at the highest fora such as the UN Security Council, professionally trained administrators with ministerial experience, and politicians of the highest gifts and insights.

This is a team of integrity, skill and the knowledge of having run the show before.

I am proud of this team: they pull together and they know the country inside out. But let me not blow our trumpet too loudly.

I have the utmost confidence in and rely on the innate capacity of the citizens of this country to discern the real issues in the elections which are near at hand.

I know that you can and will differentiate between the substantial and proven competence which PNM has brought to discharging the responsibilities of office and the dubious self-serving claims to ability which others make.

Evidence abounds in nearly every corner of the land of the advancements in both social and economic welfare which the country has made in the 30 years during which we have had the honour and privilege of serving you.

In addition, based on past experience you are secure in the knowledge that you will be able to participate in consultations to enrich policy-making on the broad issues of the day.

Absolute Respect

You also know that PNM Government is distinguished for:

- Absolute respect for and preservation of the fundamental rights and freedoms which we entrenched in the Constitution;
- its dedication to the rule of law and total rejection of any interference with the independence of the Judiciary; and
- governance under the supremacy of God.

Ladies and Gentlemen, I have advised His excellency the President, that the date of the General Elections will be December 15 and that Nomination Day will be December 1.

So let us join hands — people, party and Government — in the way forward, with deliberate and confident strides towards the threshold of the 21st century.

To party members supporters and well wishers, I say the battle is now joined, gird yourselves to do duty once again to party and country.

Text of Robinson Address

Port-of-Spain TRINIDAD GUARDIAN in English 21, 24 Nov 86 p 9, 25 Nov 86 p 7

[Speech by leader of the National Alliance for Reconstruction to NAR Special Election Conference at Chaguaramas Center on 16 November 1986]

[Text]

IN A SPEECH made just before the commencement of the Tobago House of Assembly Elections of 1984, the current Prime Minister and Minister of Finance of Trinidad and Tobago assured the population that he would never lie to the nation.

He then delivered (as it would be put in parliamentary terms) a stream of "terminological inexactitudes."

The campaign he led on that occasion was notorious for its dirty tricks. Tobagonians held their noses tight with the left hand and voted him out with the right — 11 to one.

The General Election campaign of 1986, true to form, has commenced in similar vein. For in his speech in Woodford Square, one week ago, a copy of which I have in my possession, Mr Chambers declared to the nation:

"I have at no time hidden the facts from you." But he has, as everyone knows, effectively concealed the contents of the Drug Report.

He has also concealed his findings in the City Council affair, which was re-

ferred to him by his General Council and his Youth League to act against those who were responsible for the disaster.

Not One Word

He has, along with other government authorities, concealed the fact of the treatment of one of his Ministers at a state hospital for a gunshot wound.

And he has not said one word about ten of our senior citizens burnt to death and others seriously injured in a hospital under the care of his Cabinet.

As Minister of Finance he has continued to conceal from us the most important facts concerning the state of this country's economy and the circumstances leading up to the crisis in which we now find ourselves.

Instead, he has sought to brainwash the population into believing that the Government has been exemplary in its management and that this

view is shared by reputable international financial institutions.

All this is in the context of the General Election which has been declared for December 15, this year.

But why December 15 — so close to Christmas and the end of the fiscal year? I will tell you why.

You will remember earlier this year, in April, I called for an early General Election and stated that the public interest demanded it.

I repeated the call in July, on the 17 to be exact, and stated that Mr Chambers was not as face as he thought to choose an election date.

I knew, as others did, that the steep drop in the price of oil had knocked a huge hole in the Finance Minister's budget.

Mr Chambers had the choice as a responsible Prime Minister and Minister of Finance, either of going to Parliament with a revised Budget or calling an early General Election. He chose to do neither.

He chose to fiddle while the country burns. He has sacrificed both the

integrity of Parliament and the national economy by delaying the election until December 15.

The time has been long overdue for a General Election, and we should have been looking forward now, not to an election, but to the National Budget.

Everybody knows that a Budget is due before the end of the fiscal year. The State of the national economy demanded a Budget well before the end of the fiscal year, 1986.

Why then have we not had a budget? And why is the General Election substituted for the Budget?

The answer is: Simply because Mr Chambers dare not face the nation with a Budget before the General Election. He would, thereby, be forced to disclose the facts. His survival, however, depends on concealment.

If Chambers is to bring a Budget it will have to be after the General Election. And, after the General Election, he will just not be there.

Expenditure Cuts

So I now challenge the Minister of Finance of this country, who is also the Prime Minister: Tell us, Mr Chambers, tell us! Where is the 1987 budget? What have you done with the 1986 Budget?

You brazenly tell us that you have at no time hidden the facts from us. Now tell us the following facts:

(1) How much in recurrent revenue did you expect to receive this year?

(2) What is the revised estimate of revenue for 1986? What is the anticipated shortfall?

(3) To what extent have you cut expenditure in 1986? Have you informed Parliament or the nation of these cuts in expenditure? If yes, When?

(4) How many jobs have gone by the board as a result of these cuts in expenditure? You recently said not a single person had been retrenched in the State sector.

(5) What is your anticipated recurrent revenue for 1987? What is your anticipated expenditure? Recurrent and development?

(6) How much did you plan to borrow abroad in 1986? How much have you actually borrowed?

(7) How much do you owe to private citizens in Trinidad and Tobago as wages and salaries, or as compensation for land acquired or as payment for work done? How much do you owe the local Government bodies?

(8) When are you going to pay?

(9) Do you have money to meet all your obligations as Finance Minister by December 15?

Credit Rating

(10) Why are you concealing the answers from the population?

You are very wrong about political trials. Right now we are in a major

political trial in case you are not aware. This general election is a political trial.

It is in a General Election that a Government is forced to account to the population for its management of the country's affairs.

In case you do not know it, you and your Government are on trial and it is the citizens of this country, the voters, who are the judge and jury.

I have no hesitation, whatever, in indicting you and your Government before the bar of public opinion.

The Finance Minister tells us that as a result of prudent management the country's credit rating, as reported in authoritative professional publications, was No. 3 in the Americas, after Canada and the United States; and No. 1 in Latin America.

That says absolutely nothing about financial management.

In 1982, Trinidad and Tobago's per capita income was about five times that of Jamaica, about ten times that of Guyana, seven times that of Mexico, nearly ten times that of Colombia, about 30 per cent above that of Venezuela, more than twice that of Greece, almost twice as high as Ireland, three times as high as Hungary, almost five times that of Israel, 50 per cent above Spain, more than twice that of Portugal, well above Italy, Hong Kong, New Zealand, more than twice that of Brazil and Taiwan.

Yet Trinidad and Tobago has not succeeded in borrowing a penny from abroad to date, in 1986.

Out of projected foreign borrowing for 1986 of \$1.5 billion, we will by December 15 have succeeded in raising a paltry \$50 million from a U.K. Bank. The reason is bad management.

The high per capita income of Trinidad and Tobago is simply due to the spectacular increases in the price of oil.

And hear what Mr Chambers has to say when he happens to tell the facts:

"We did not cut the price of oil. Neither did we raise it in 1973 or 1979."

This is, of course, a fundamental truth which the Government so often forgets. They are all too ready to take credit for whatever was achieved through the increases in the price of oil.

The Core

But now that the drop in price has taken place, they prefer not to be responsible in the least for its consequences.

And that really is the core of the difference between us and the Government.

Mr Chambers is the smartest. He spins the coin to start the innings and says: "Heads I win. Tails you lose!"

In doing so, he shows acquaintance with his Bible. Hear the Prime Minister and Minister of Finance:

"Recall, for example, that even in

biblical times there is record of seven fat years and seven lean years." "Modern life is no different."

But were we not telling Mr Chambers exactly that when he and his colleagues denounced us as prophets of doom and gloom? Did we warn that the years of plenty could not possibly last?

Did we not warn against extravagance, profligacy, corruption and waste? What was the reply? "Shut up you prophets of doom and gloom."

Money is no problem." When we talked about diversification and agricultural development, the stark reply was "we have the money. We can import the food."

To emphasise the point, they even planned to buy packed lunches from Luxembourg for the School Meals Programme.

The Moral

The Prime Minister and Finance Minister has invoked a biblical lesson. It would be pertinent to invoke another that most of us were taught at school.

I refer to the parable of the ten virgins, five of whom, we know, were wise and five were foolish. The wise planned their journey to meet the bridegroom with fuel in their lamps.

The foolish did not. They carried lamps but no fuel. The bridegroom came to the feast at midnight. Those who had not prepare for the darkness had to go back to look for fuel. Meanwhile the door to the wedding feast was shut.

The moral of the parable was: "Be prepared. For you know not when the expected event will come."

The Ministerial virgins did not prepare for the decline in the price of oil which Mr Chambers tells us he knew all along would take place, from his biblical researchers.

Mr Jacelon, his Minister in the Ministry of Finance, tells us no one knew the event would be so sudden. So the Virgin Ministers who proudly boast of their experience and expertise did not prepare for the decline in the price of oil even though, from their biblical learning, they knew that it had to come.

Yet we must be convinced that this is wise and prudent management. Their assessment, they tell us, is endorsed by international agencies.

We and the United States of America are the only ones in the Western Hemisphere that have not gone knocking at the door of the IMF.

Mr Chambers should know better than to mention the U.S.A. and this country in the same breath. The U.S.A. dominates the IMF.

But again the Finance Minister has concealed from us very critical facts. Trinidad and Tobago, it is true, did not go the IMF. What has been concealed from us is that the IMF came to Trinidad and Tobago.

The IMF came to Trinidad and Tobago earlier this year because the Government had failed to meet its obligations to that international body.

A System

When the Government introduced a system of foreign exchange allocations in 1983 and the dual exchange rates in 1985, it failed to seek the approval of the IMF.

Moreover, it also failed to set out a timetable for the removal of these restrictions. So the IMF came to Mr Chambers.

Here is what the Government has promised the IMF, which has been concealed from the population of Trinidad and Tobago.

(1) Introduction of a general sales tax in 1987;

(2) further increases in the rates of the public utilities;

(3) phasing out of exemptions and concessional tax rates on imports;

(4) further cuts in government expenditure;

(5) No income tax relief; and,

(6) removal of the dual exchange rate after negotiations with unions representing the public sector.

I am sure, Ladies and Gentlemen, citizens of Trinidad and Tobago, that you are beginning to understand why we cannot have a budget from Mr Chambers before the General Election.

I am sure, also, that you are beginning to understand why I say he is the smartest. However, he is too clever by half and so, I like the tricky schoolboy, his tricks are always being found out.

See how he has been caught red-handed with the Archbishop Tutu visit.

Now Archbishop Tutu is a man of God who risks his freedom everyday, and his life, in the struggle for the liberation of South Africa. It is the kind of struggle which no P.N.M. Minister understands or will ever understand.

Details of the Archbishop's visit were made public by both the Anglican Bishop of Trinidad and Tobago; the Rev Clive Abdullah, and the Head of the University of the West Indies before an election date was announced.

Long before the public announcement the Government knew and planned for the visit.

The clever Prime Minister, having waited for the N.A.R. to fall apart as he erroneously predicted, having continued to ignore the national need for an early General Election, promptly declared the General Election, planning nomination day immediately before the world-renowned Archbishop arrived, and polling day soon after he was due to depart.

The Archbishop's visit was to be positioned in the midst of the most intense period of political campaigning, possibly in the history of Trinidad and Tobago.

Only Chambers could plan such an obvious trick. But, as expected, it was an extremely clumsy one.

Cynical Act

Mahabir should have told him that it was a cynical act and a gross insult to the man who is a hero of immense proportions to the population of Trinidad and Tobago.

You do not invite a distinguished visitor to lunch while you use insecticides and scrub, wash and paint the walls and floors and furniture of your dining room.

It is plain bad taste, bad manners and insulting behaviour. Any ordinary human being would know that. You don't need the dubious experience of a P.N.M. Minister.

Ladies and Gentlemen, on behalf of the people of Trinidad and Tobago, I wish, firstly, to extend my profound apologies to the Bishop of Capetown, Archbishop Tutu, for the situation created by the long delayed declaration of an election date and the timing to coincide with his visit.

I wish to assure Archbishop Tutu that he will always be welcome in Trinidad and Tobago and that the people of this country eagerly look forward to his visit at a more propitious time in the coming year.

We absolutely deplore the clumsy and reprehensible actions of our Government which has precipitate an embarrassing situation for all of us.

And we give the assurance that an NAR Government will do everything possible to make amends for the damage and embarrassment caused to the Archbishop, the University, the Anglican community and the people of Trinidad and Tobago.

Electoral Defeat

The reasons for delaying the election date in a steadily worsening economic situation are now abundantly clear.

The P.N.M. hierarchy knew from early last year that they were facing electoral defeat in the forthcoming General Elections. They trusted to luck that something would turn up.

They deluded themselves that the N.A.R. would fall apart. They waited and waited and nothing of the sort occurred. Instead the N.A.R. grew from strength to strength. Then the announcement of the proposed visit of the Archbishop of Capetown.

Like drowning men grasping at straws, they made their election plans around the visit, in the hope that they could make use of the occasion of the visit of a true man of God. This ball was rightly declared to be a no-ball.

From the domestic and international point of view it was an act of grave irresponsibility.

It is this irresponsibility which has characterised the management of our finances and of the economy and the attempt to use the reputation of international agencies to

justify it.

The fact is that since 1980, the IMF prepared a damning indictment of the Government's spending patterns and procedures.

Here are a few quotes from an IMF document entitled:

"An Appraisal of the Government Financial Management System in Trinidad and Tobago." It is dated August 22 1980 and I quote:

(1) "The policy formulation processes are at present more concerned with the allocation of new financial resources rather than the efficiency with which existing resources are being employed."

(2) "The preparation of Budget estimates within the spending agencies does not have a systematic pattern."

(3) "The development expenditures estimated do not include information on the future impact of projects on current expenditure."

(4) "The practice of showing transfers to the Special Funds is confusing and leads to incorrect statements (and therefore analysis) concerning total guaranteed expenditures."

(5) "There are also anomalies in the treatment of transactions of statutory boards and public enterprises in the budget."

(6) "There are no regular reviews of programmes in budget implementation."

(7) "The ease with which contracts can be varied during the execution phase and the inattention to concomitant accounting has led to large increases in supplementary allocations."

(8) "Cash and debt management do not receive due attention."

The IMF also pointed out the stage had been reached where the Government was investing from some funds internationally while borrowing on the capital markets to feed other funds.

Loan Cancelled

Effectively, said the IMF, the international capital market is being used to switch resources between the Special Funds. This, of course, was the height of absurdity.

The population had received early warning of the extravaganzas that were to come.

But as usual, the Government used its vast propaganda machinery and resources to drown or discredit the voices of those who urged foresight and caution.

On the international scene, it was not only the IMF that found the Government management systems woefully deficient.

As recently as December 31, 1985 the World Bank cancelled a loan of (US)\$29 million to the Government for the purpose of replacing 27 primary schools, building two Junior Secondary Schools, and providing extensions to six senior and two composite secondary schools.

In addition, a National Curriculum and Teacher Development Centre were to be established as well as an Education Facilities Management Unit.

Of the 39 project institution envisaged, only two extensions to composite schools were completed.

The proposed 27 primary schools, two Junior Secondary schools and six Senior Secondary schools never saw the light of day. Mr Chambers, as usual, has concealed the facts.

Why this disaster, which has had serious consequences for the education of our children?

Listen to what the World Bank had to say, and I quote from the report:

(i) "The project imposed heavier demands on the Government's management capabilities than it could provide."

(ii) "The estimated costs rose 350 per cent above the original estimate."

(iii) "The Bank misjudged the Government's technical and managerial capacity to implement the project."

Ladies and Gentlemen, I invite you to listen carefully to this assessment of the present Prime Minister and Cabinet.

We know the previous ones were bad enough. But hear the World Bank's assessment of the current bunch of experienced Ministers as they have been described by the Captain of the team. I quote verbatim:

A Vacuum

"The Prime Minister's death had a significant bearing on the subsequent indecisions of the Government..."

"His death left a vacuum in the Cabinet which contributed to indecision."

"From May to December, 1983, the Bank repeatedly tried to obtain a final Government decision on the status of the projects."

As late as February 14, 1984, the Government informed the Bank that it was still following up the matter and would announce a decision soon.

On April 3, 1984, the Bank cabled the Government requesting a reply by April 17. In the absence of a Government communication the Bank cancelled the unspent balance of \$18.2 million on May 31, 1984 and so informed the Government.

And so we lost 27 Primary Schools, two Junior Secondary Schools and extensions to six Senior Composite Secondary Schools.

This is the leader who tells us that he has at no time hidden the facts from us. This is the Government that boasts of its experience, prudence and foresight and capable management.

That capable management has left us with a Hall of Justice, estimated to cost \$56 million, finally costing \$300 million; a Financial Complex originally estimated to cost \$80 million, finally cost \$700 million and the Mt Hope

Medical Complex estimated to cost \$300 million, finally costing \$700 million; a Butler Highway, estimated to cost \$146 million, finally costing \$338.3 and continuing.

Cash Stolen

Iron and Steel Mill estimated to cost \$700 million, finally costing over \$1 billion and losing money at the rate of over \$150 million a year; \$120 million sunk in an aborted Racing Complex and many other such projects too numerous to mention.

Hundreds of millions of dollars worth of property and cash stolen and spirited away in foreign bank accounts. They can find no evidence or do anything about obvious culprits.

Yet the Prime Minister and Minister of Finance has the supreme impudence to tell this nation that we must vote for continuity. Of what? The wildest forms of extravagance, incompetence and dishonesty?

We must examine further the record of the Minister of Finance who loudly trumpets his experience and capability.

George Michael Chambers became Prime Minister and Minister of Finance of Trinidad and Tobago at the end of March 1981. In November 1981 he won the Prime Ministership at the polls in a General Election with an unprecedented number of votes.

Fortune smiled kindly on the new Prime Minister. In 1982 Trinidad and Tobago enjoyed the highest ever receipts in its history — over \$7 billion, and from 1982 to 1984 receipts totalled \$20.3 billion, an average of six billion seven hundred million dollars each year, or \$130 million a week or \$26 million dollars every single working day of the first three years of his term.

What did the Prime Minister do? He lost no time spending it!

1. He promptly raised recurrent expenditure by \$1 billion; he increased personnel expenditure from \$900 million to two billion six hundred million dollars or by 200 per cent and at the same time he reduced expenditure on materials and services by two-thirds — from \$1 billion to three hundred and twenty-one million dollars.

So he was now spending three times more on personnel but two-thirds less on the materials they had to work with. In other words he was spending over \$2 billion to handle three hundred million dollars in materials and services.

Transfer Of Funds

2. He increased the transfer of funds to statutory authorities and state enterprises by over one billion dollars (\$1,023.1), dishing it out at a rate of \$6 million every working day in 1982.

Before 1982 transfers and subsidies were being doled out at the rate of \$10 million daily.

At the end of this spending spree, of course, the current surplus in 1982 was down; reduced by over \$2 billion, (from over \$3.5 billion to \$1.3 billion).

But that did not bother the prudent Minister.

(a) He pushed up expenditure on development programme also — again by \$1 billion, and he converted the 1981 overall surplus of \$279 million to a whopping deficit of nearly \$3 billion. All within one year.

To finance this extravaganza, the virgin Minister

(b) increased his local borrowing by \$149 million; and

(c) increased his foreign borrowing by \$329 million.

Ran down the balances:

(i) in the Unemployment Fund by nearly \$400 million;

(ii) in the Long Term Development Fund by \$809 million; and

(iii) in the Consolidated Fund by \$800 million, so that the wanton dissipation of the Funds built up with the petro-dollar windfall was now well underway.

Thus did the Minister celebrate his first full year in office as our elected Prime Minister.

Lavish Outlays

Even though the Government cut back on Development Programme expenditure in order to continue its lavish outlays to statutory authorities and state enterprises, the overall deficit remained at nearly \$3 billion in 1983 and two and a half billion dollars in 1984.

And the borrowing continued. Over the two years — 1983-1984 the Government borrowed, (a) almost \$400 million locally but (b) \$1 billion abroad.

And so did the running down of the petro-dollar funds.

(a) The Unemployment Fund lost over half-a-billion dollars in 1984.

(b) the Long Term Development Fund lost one and a half billion, most of it in 1983 (see the pattern of rake and scrape), and

(c) the Consolidated Fund lost over \$800 million, most of it in 1984.

At the end of 1984 although (1) total receipts were still higher than in any year before 1982.

although (2) current receipts were still higher than in any year before 1981, and,

although (3) tax receipts were still higher than in any year before 1981, the overall deficit for that year alone (\$2.5 billion) was only slightly less (\$349 million) than the surpluses accumulated throughout the petro-dollar boom, 1974-1981 (\$2.8 billion).

What is clear is that the present financial crisis pre-dates the collapse of oil prices in 1986.

It arose from the reckless spending from 1981 to as late as 1982, in the face of all the warning signs that the boom was coming to an end.

It was recognised in 1982, when the Government adopted the 1986 budget.

was supposed to rescue us at least partially.

What the 1986 oil price collapse did, was to wipe out the effect of the devaluation windfall.

Gamble Failed

The gamble failed and the 1986 disaster of unpaid wages and salaries; of unsatisfied creditors, of wage freeze and credit squeeze is now upon us.

As I said from early, the 1985 Budget became irrelevant before June 1986.

It was the height of irresponsibility to proceed as if it were still optional — Irresponsibility plus recklessness has brought us to the brink of financial chaos and disaster.

Now, day by day, the number of jobless grows; finance and business houses collapse; the value of shares on the Stock Exchange tumbles; general insurance companies go bust.

The Government cannot pay its debts. Retrenchment and receiverships are the order of the day.

Serious crime is on the increase; our youth are being destroyed by the drug trade. Mr Chambers and Mr Mahabir have the effrontery to tell us vote for continuity and stability.

Ladies and Gentlemen, if we follow the advice of these goodly gentlemen, the ideal and ultimate stability for us will be the grave.

Workers are killed through carelessness in a state enterprise. They appoint a Commission of Enquiry. Not a word is heard about its findings. They appoint a Commission of Enquiry on Drugs. It suffers a similar fate.

The Crime

Old people under their care in a state hospital and burnt to death most horrendously in circumstances pointing to manslaughter.

Not a mumbling word; not even of sympathy to the bereaved relatives. No apology to the national community.

Instead they spend their time arguing in the newspapers the difference in meaning between the words "blame" and "responsibility."

I say there is conclusion evidence to prove the crime of manslaughter and Mr Chambers accuses me of wanting political trials and usurping the functions of the D.P.P.

As a former law clerk the Prime Minister should know better. He was fully acquainted with the language of lawyers on St Vincent Street.

He accuses me of wanting political trials. That, of course, is only a small one from his huge bag of dirty tricks.

I can assure him that the only political trial I shall ever participate in are General Election where the people are the jury and judge to find guilt and pronounce sentence as well on political delinquents.

He accuses me of calling Trinidadians foreigners. That, of course, is only another of his many terminological inexactitudes.

Dominated Campaign

I called him and his colleagues "strangers" in the Tobago House of Assembly Elections because they dominated their party's campaign even though they did not have the right to vote in that election.

The term stranger, as you will find in May's Parliamentary Practice, is a perfectly proper parliamentary term. When a Member of Parliament says "I spy strangers," it is a signal to the Speaker of the House to ask all those in the public galleries to leave the Chamber.

If former Speaker Arnold Thomasos and I often had our passages at arms but we always respected each other.

These gentlemen experienced what it is like to be told that they should play football. They have been told that but do not even know that today we have stadiums and boys' cricket grounds.

They talk about playing cricket

but they have done no exercises. They have no headgear, no pads, no bats, no gloves and no balls.

Ladies and Gentlemen, it is a great pity that I have had to spend so much time on a Government and Prime Minister that belong to the past, whose vision is in the past and who are attempting to walk backwards fast into the future.

My esteemed colleagues, Karl Hudson-Phillips and Basdeo Panday have dealt comprehensively with our Elections Manifesto which contains a diagnosis of the ills by which we are afflicted and our programme for the future.

Principal Issues

They have adequately pointed out the principal issues in this election as:

(1) Mismanagement of our finances and of the economy;

(2) moral and social decay in our society;

(3) subversion of our political institutions; and,

(4) integrity and accountability.

So grave is the situation, and remedial action so urgently required, that we have prepared along with our manifesto, "An Immediate Action Plan."

I now have the honour to outline that plan which we will adopt immediately on being voted into office by you.

To our faithful party members who have laboured and sacrificed to build this great party, and waited for the glorious day, I say now is the hour! Go forward into battle.

To the voters of Trinidad and Tobago I say:

Join with the NAR.

Let us stop the rot and build the nation.

Vote confidence in our future.

Vote faith in our country.

Vote trust in our people.

Vote the NAR.

Forward to victory and reconstruction.

TRINIDAD AND TOBAGO

CONTENDING PARTIES ISSUE PRE-ELECTION POLICY STATEMENTS

PNM Objectives

Port-of-Spain SUNDAY EXPRESS in English 16 Nov 86 p 34

[Text]

KEEPING Tobago united with Trinidad as a unitary state is the most primary objective of the ruling People's National Movement regarding the sister-island, according to the party's 1986 general election manifesto.

The manifesto also outlined the PNM's plans for Tobago if the party again forms the government. In a 20-point list of pledges for Tobago, the PNM promises:

- To maintain and preserve the unitary state of Trinidad and Tobago.
- To continue total development of Trinidad and Tobago to ensure adequate and equitable access to facilities, for example, university education to residents of Tobago.
- To enhance communication links between Trinidad and Tobago.
- Completion of the water projects at Little Englishman Bay, Montgomery and Signal Hill.
- To continue the rural electrification programme in Tobago.
- Reconstruction of sub-stations at Milford Bay and Scarborough.
- To extend telephone service to the various villages in Tobago.
- To continue to provide an efficient transport service.
- To construct a new National Security building at Crown Point Airport to accommodate the Fire Services, Police and the Regiment.
- To continue to promote Tobago as a major tourist destination.
- Completion of the

Psychiatric Ward at the Tobago County Hospital.

● Construction of a new Government Primary School at Calder Hall.

● Renovation and extension of Bishop's High School.

● Construction of an Industrial Arts wing at Signal Hill Senior Comprehensive School.

● Construction of an Assembly Hall, cafeteria and laboratory at Roxborough Composite School.

● Construction of new Government Administrative Complex in Scarborough.

● Construction of a Magistrates' Court in Scarborough.

● Construction of a new Post Office at Plymouth.

● Establishment of low and middle income housing projects at Signal Hill, Belle Garden, Speyside, Mason Hall and Goodwood.

● Construction of factory shells and a factory building complex at the Old Government farm.

A draft copy of the manifesto was presented at the party's special election convention held at the Chaguaramas Convention Centre last weekend, when the party also announced its slate of 36 candidates to contest the election.

Aldwyn Brebner, an agriculturist, is the PNM candidate for Tobago East, while Gordon Bacchus, a retired Works Supervisor, is the candidate in Tobago West.

NAR Action Plan

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 86 p 1

[Article by John Babb]

[Text]

THE NATIONAL Alliance for Reconstruction (NAR) has a 29-point "action plan" which party leader A.N.R Robinson said yesterday will be adopted by the party immediately on being voted into office.

It involves passing legislation in Parliament to establish an Integrity Commission; introduction of a Code of Ethics for members of Cabinet, Parliament, public servants and local government bodies and presentation of the Drug Report to Parliament.

"So grave is the situation that remedial action is urgently required," he told his overflowing audience that packed two floors of the Chaguaramas Convention Centre and even filled the aisles, the corridors and the stairways.

On being voted into office, he told party members and supporters, the NAR Government would forthwith put into effect the following action plan:

1. Prepare and present to Parliament legislation to establish the Integrity Commission as required by the Constitution. The Commission will have the power to advise the Prime Minister on the conduct of Ministers and, in appropriate cases, to publish its advice.
2. Introduce a Register of Gifts—that is gifts received by Cabinet members from foreign governments, business corporations and private individuals in the course of official duties, will have to be registered.
3. Introduction of a Code of Ethics for members of the Cabinet, parliamentarians, public servants and members of local government bodies.
4. Present to Parliament the Report of the Commission of Enquiry on Drug Abuse.

Restore Confidence

The plan also includes establishment of a Joint Parliamentary Committee on Banking and Finance to meet with all the financial institutions to discuss measures to restore confidence in the financial sector; convene a joint meeting of business and labour to promote economic stability and growth, and industrial peace.

Also, to establish on a functional and permanent basis, a National Economic Advisory Coun-

cil: revision of the Standing Orders of Parliament; opening of parliamentary debates to the electronic media; enactment of a Freedom of Information Act.

The plan also calls for the establishment of a Manpower Planning Commission; use of the Sou-Sou Lands concept as a base to begin a nation-wide programme to provide agricultural and building lands, housing and job opportunities.

An NAR Government, according to Mr Robinson, would cease immediately, the demolition of all squatters shacks and regularise and legalise the land tenure of squatters on public lands not required for development purposes.

The new government, he added, would provide amnesty to all Caribbean Commonwealth citizens illegally present in the country; develop a National Youth Training and Service Programme which would incorporate a National Apprenticeship Scheme.

Overseas Surgery

The NAR's immediate action plan also involved establishment of a Charitable Foundation which, in the long run, would go towards financing medical and other expenses of citizens requiring sur-

gical operations abroad which cannot be performed locally.

Mr Robinson, from the outset of his speech, attacked Prime Minister George Chambers, who had said that at no time he had hidden the facts from the nation.

But the NAR leader pinpointed "some of the effective concealments" of the Prime Minister — the contents of the Drug Report, the findings in the City Council affair, the facts surrounding the treatment of one of his Ministers at a State hospital for a gunshot wound, the senior citizens who were burnt to death in the Tobago Hospital fire.

"As Minister of Finance," said Mr Robinson, "he has continued to conceal from us the most important facts concerning the state of this country's economy and the circumstances leading up to the crisis in which we now find ourselves," he added.

When he called for an early general election earlier this year Mr Robinson said, because of the steep drop in oil prices, Mr Chambers had the choice then of either going to Parliament with a revised Budget, or calling an early election. But he chose to do neither.

Mr Robinson said the time was long overdue for a general election.

He added: "Why then have we not had a Budget? And why is the general election substituted for the Budget?"

"The answer is— simply because Mr Chambers dare not face the nation with a budget before the general election. He would, thereby, be forced to disclose the facts. His survival, however, depends on concealment," declared the NAR leader.

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CSO: 3298/050

TRINIDAD AND TOBAGO

ADDITIONAL REPORTAGE ON PREELECTION ACTIVITIES

Threats Against Robinson

Port-of-Spain TRINIDAD GUARDIAN in English 14 Nov 86 p 20

[Excerpts]

THE DECEMBER 15 general election could have been declared null and void because of the mistake made by Prime Minister George Chambers while announcing the date last Sunday.

This was stated on Wednesday night by Political Leader of the National Alliance for Reconstruction (NAR), A.N.R. Robinson, at the opening of two NAR offices in the St Ann's East constituency.

Delivering the feature address at the function held at Millette's Plaza, Pipiol Road, Santa Cruz, Mr Robinson also claimed that since he resigned from the ruling People's National Movement (PNM) his life was being threatened. And because of his overseas connections he

was not incarcerated in 1970 on Nelson Island and then "mysteriously disappear."

Mr Robinson said he had no animosity towards any politician and had no interest in personalities.

Whatever was one's view of others in public life one's duty was to observe certain standards of behaviour.

"What I am concerned about is setting and observing standards of behaviour in public life in Trinidad and Tobago."

He said that on entering the hall Wednesday night an ardent supporter told him his life was in danger.

Advising the young man and the audience to keep their hearts at ease, he said since he quit the PNM his life was being threatened.

"I receive all sorts of threats. I have letters written threatening me, telephone calls, midnight after midnight to

my old mother at my home. I have never flinched. I have stood up. Some of you in this hall know I have stood up to policemen armed with machine guns in order to defend the rights of the people of Trinidad and Tobago to hold a public meeting without let or hindrance.

Turning to the shooting incident involving Industry and Commerce Minister Wendell Mottley, Mr Robinson in the context of the breaking down of standards in the community said:

"How can a Prime Minister continue to sit in a Cabinet, how can a Minister who has been shot, and no explanation, nothing.

"How disgusting. How disgusting. And to add insult to the worst kind, contempt to injury, that Minister is now a candidate before the electorate in Trinidad and Tobago. If the population of Trinidad and Tobago is prepared to accept that then we have no country at all."

Hudson-Phillips Speech

Port-of-Spain DAILY EXPRESS in English 17 Nov 86 pp 2, 3

[Text]

KARL HUDSON-PHILLIPS, deputy political leader of the National Alliance for Reconstruction (NAR) yesterday announced that he would not be available to serve in any Cabinet position under a new NAR government.

Hudson-Phillips told a packed Chaguaramas Convention Centre that he had pondered on the question of his personal involvement in the NAR campaign for office and "after long and difficult decision and discussion," had decided not to run for political office or seek a post in a new government "for at least the next three to four years."

He however added, before a quietened crowd, that he would continue to serve as deputy political leader

of the party and, after the conclusion of the Maurice Bishop murder trial in Grenada, would throw himself "totally and fully into the campaign for removing the PNM."

Leo des Vignes was later introduced as the NAR candidate for Diego Martin Central, ending speculation that Hudson-Phillips, the 1981 Organisation for National Reconstruction candidate there, would return to the fray in that constituency.

Hudson-Phillips said the government and the PNM had represented him as a "power-hungry individual," but referred to his withdrawal from the race for leadership of the NAR in 1985 and said he would pursue his individual position democratically

within the party, unlike other people who "rush to the newspapers to peddle their own particular points of view."

Hudson-Phillips, in his contribution on the party's manifesto, spoke on the commitment of the NAR to not only the country's democratic structures, but to democracy in the Caribbean region. He said the party would pursue the establishment of a Caribbean commission of human rights whose duty it would be to "protect all our people and our democratic institutions."

Included in the manifesto, he said, were provisions to deal with the setting-up of a Caribbean Court of Appeal and the granting of dual citizenship.

The party's Regional Programme of Reconstruction, said Hudson-Phillips, would propose, within the framework of the Tobago Development Plan, to establish tourism as "the main plank upon which the economy of Tobago will be revitalised."

He said that an NAR government would set up adequate port facilities in Tobago to accommodate cruise ships; lengthen the Crown Point runway to accommodate wide-bodied aircraft; institute measures to protect the island from pollution and damage to its marine life; establish a sporting complex and introduce measures to facilitate the development of the various forms of cultural heritage unique to Tobago.

The NAR deputy leader said the party would restructure the Chaguaramas Development Authority "to include the original residents of Chaguaramas, the business sector and the labour movement." Some of the projects for the area outlined by Hudson-

Phillips were: the building of a four-lane highway into Chaguaramas; upgrading port facilities and establishing cruise berthing facilities; the setting-up of a small airstrip or heliport for ferrying links with Piaseo, Tobago, San Fernando, Port of Spain and Point Lisas.

He said programmes would be instituted in Port of Spain, San Fernando, Arima and Point Fortin toward their "rehabilitation and development."

Hudson-Phillips also pointed to the country's education system, saying that there was the need to integrate the system into the economic, social and cultural life of the nation. He outlined the party's proposals for changing the system to meet that end.

Quoting from the manifesto on the issue of women, he said that "the working woman must not be exploited because she is a woman; the rural woman must not remain backward because she is rural; the urban working woman must not be made a prisoner of a deteriorating economic and social environment."

He said the party would deal with such a situation through equality of opportunity, the creation of cottage industries "to incorporate the rural woman into the work force," making the physical environment safe for women, the development of a National Women's Bureau, encouraging the development of a National Homemakers Association and ensuring that women were provided with a voice in the Senate.

He spoke on the party's foreign policy, saying that an NAR government would join with other developing countries working toward a New International Economic Order and contribute meaningfully to the struggle against apartheid in South Africa. He said the country must move from being a "passive receiver" in the world telecommunications network and become an "active transmitter."

NAR Candidates

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 86 p 1

[Article by Gail Alexander]

[Text] The National Alliance for Reconstruction yesterday revealed its "surprise" candidates as former Attorney General Selwyn Richardson (Ortoire-Mayaro), and former Chief Executive Officer of the Trinidad and Tobago Telephone Company Selby Wilson (Point Fortin).

Mr Richardson will be contesting the seat against his cousin, People's National Movement backbencher Leon Prevatt, while Mr Wilson will be opposing Deputy Speaker Cyril Rogers (PNM) who is seeking to retain the Point Fortin seat.

Mr Richardson and Mr. Wilson were presented to a gathering of almost 15,000 people who attended the NAR's public meeting in Woodford Square which followed the party's first elections conference--aptly billed as The Main Event--at Chaguaramas Convention Centre.

Both venues attracted a capacity crowd. An estimated 15,000 filled the two floors and wings of the Convention Centre to overflowing, and at the start of

the conference, not even standing room was left in the actual conference hall which seats 3,500.

Turned Back

Hundreds who were forced to turn back from the Convention Centre due to lack of space, went straight to Woodford Square from early afternoon to await the start of the meeting. Intermittent showers failed to dampen the enthusiasm of NAR supporters at either venue.

The party's official slate of candidates presented by Deputy Leaders Basdeo Panday and Karl Hudson-Phillips:

Ortoire-Mayaro--Selwyn Richardson, lawyer, former Attorney General and former Chairman of the Airports Authority.

Port Fortin--Selby Wilson, former Chief Executive of Telco, a chartered accountant.

Toco-Manzanilla--Joseph Toney, lawyer.

Siparia--Govindra Roopnarine (incumbent).

Arouca North--Rawle Raphael, company director.

Naparima--Raymond Palackdharrysingh, teacher.

Laventille--Wilfred Farrell, small businessman.

Oropouche--Trevor Sudama (incumbent).

Diego Martin West--Margaret Hector, housewife and Chairperson of the National Organisation of Women).

Nariva--Dr Brinsley Samaroo (Leader of the Opposition in the Senate).

San Fernando East--Merle Stephen, Community Development Officer.

Tunapuna--Dr Emmanuel Hosein, medical practitioner (incumbent for Naparima).

St Joseph--Dr Carson Charles, U.W.I. lecturer and Chairman of the National Youth Organisation of the NAR.

Arima--Gloria Thomasos-Pollard, Arima Borough Councillor and teacher.

Arouca South--Gloria Henry, Course Co-ordinator, Academy of Insurance.

Tobago East--A.N.R. Robinson, Chairman of the Tobago House of Assembly.

Princes Town--Jennifer Johnson, Executive Director of Junior Achievement.

St Ann's West--Eden Shand, businessman.

La Brea--Dr Albert G. Richards, lawyer.

Diego Martin East--Anthony Isidore Smart, lawyer.

Port-of-Spain South--Theodore Guerra (lawyer).

Tobago West--Pamela Nicholson (incumbent).

Couva North--Basdeo Panday, Leader of the Opposition (incumbent).

Couva South--Kelvin Ramnath (incumbent).

Point-a-Pierre--Oswald Hem Lee, teacher.

San Fernando West--Dr Anselm St George, medical practitioner.

St Ann's East--Senator Lincoln Myers, Chairman, Public Accounts Enterprises Committee.

Caroni East--Dr Beau Tewarie, U.W.I. lecturer.

St Augustine--John Humphrey (incumbent).

San Juan/Barataria--Kenneth Butcher, businessman.

Fyzabad--Arthur Sanderson, shop steward.

Chaguanas--Winston Dookeran (incumbent).

Port-of-Spain East--Mervyn Pierre, lawyer.

Tabaquite--Nizam Mohammed (incumbent).

Port-of-Spain North--Jensen Fox, Port-of-Spain City Councillor.

Diego Martin Central--Leo Des Vignes, County Councillor.

Former Attorney General Selwyn Richardson, who resigned as Chairman of the Airports Authority a month ago, drew long and loud applause when he was called to the rostrum of the Convention Centre conference earlier in the day.

Karl Steps Aside

Tumultuous applause greeted the announcement in Woodford Square that he and Mr Wilson are NAR candidates.

During yesterday's conference, NAR Deputy leader Karl Hudson-Phillips, one of six speakers on the programme, announced that he had finally decided "definitely, but reluctantly" not to be an NAR candidate.

Neither, he added, would he be able to accept an offer of a post with an NAR government for the next three to four years at least. He said:

"However I will serve the party as long as you (the people) want me to serve. Power and position will never be my desire or goal. I am completely at peace with myself. One must know when to step aside, when to step down or to step behind a true leader."

NAR on Tobago's Status

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 86 p 3

[Text]

DEPUTY Leader Karl Hudson-Phillips of the National Alliance for Reconstruction has said that Trinidad's attitude to Tobago must change—the sister isle must no longer be regarded as an orphan State.

Mr Hudson-Phillips made the statement on Sunday as he addressed the NAR elections convention at Chaguaramas. He also told the gathering that he was definitely not an NAR candidate in the forthcoming general election.

Mr Hudson-Phillips said that Tobago's orphan status must be a thing of the past. Both islands, he stressed, must stand together and build together side by side.

"Tobago must have proper facilities. Why should we have to give Barbados money to build an airport, when Crown Point needs one? We must make it less expensive to go to Tobago for a holiday than it is to go to Miami."

Mr Hudson-Phillips told the gathering that policies in the NAR's manifesto for change addressed three main problems—"which are eating out the entrails of Trinidad and Tobago"—lack of effective leadership, moral, spiritual and social decay and lack of democracy

Unable To Read

Member of Parliament for Couva South Kelvin Ramnath, who also spoke, pointed out problems plaguing the nation and stated that Trinidad and Tobago was at present demoralised by an impotent government.

"Drug king-pins operate as if given official sanction, the Drug Report is history, children at secondary school level are unable to read or write properly. Scandals are being swept under the rug because of the alleged involvement of persons in high places. Today after 30 years of PNM rule, the country is still as

it was 30 years ago.

"The NAR is the most serious challenge to the PNM because it is an evolution in society, so when the ruling party describes it as a 'party of PNM rejects' it insults the intelligence of the people and it further tries to destabilise the NAR by telling people 'we know who we have, we don't know who we'll get'."

The present, he stressed is the time for men of vision to put Trinidad and Tobago back together again.

"When the PNM says we are in a marriage of convenience, we say that it is a marriage sanctified by God, it is a marriage that will produce beautiful children. And we say what God has put together, let no man put asunder!" he added.

Tewarie on 'Social Unrest'

Port-of-Spain TRINIDAD GUARDIAN in English 21 Nov 86 p 6

[Text]

CHAGUANAS — Trinidad and Tobago is now sitting on "a powder-keg waiting to explode at the least sign of social unrest," according to National Alliance for Reconstruction candidate for Caroni East, Dr Beau Tewarie.

He told a large political meeting at La Cuesa Road, Freeport, on Wednesday that this "situation has become so because of the chaos, confusion, mismanagement, corruption and bad planning which have become the hallmarks of the 30 years of PNM rule."

Dr Tewarie contended

that this situation would continue even if the PNM remains in power for 100 more years, adding that "change is imminent and that only the NAR led by A.N.R. Robinson could really provide the change, stability and continuity."

The university lecturer contended that PNM Government ministers "seem to treat their rise to power

as Cabinet Ministers as a licence to do as they like.

He spoke of alleged reports of fat bank accounts by some PNM members and real property holdings in Toronto, New York, Miami, London and Europe.

He labelled the "Government-to-Government contracts as licences to steal from the taxpayers.

These contracts have been highly responsible for the heavy drain of foreign exchange on the treasury.

He charged that the programme of joint ventures currently being mooted would likely have similar effects like the Government-to-Government arrangements."

Dr Tewarie stated that

after the 1970 revolution and with the then "incoming oil boom, PNM was given a second chance to develop, rebuild and diversify the economy

With about \$55 billion at their disposal they could have ignited the national economy to provide jobs and other social and infra-structural facilities and

services for the national populace."

"An NAR Government, he said, was now poised to start a new political dispensation, new strategy and programmes and policies to do what a government is supposed to do for the populace," Dr Tawame said

NJAC Rally, Candidates

Port-of-Spain TRINIDAD GUARDIAN in English 24 Nov 86 p 1

[Text]

THE National Joint Action Committee (NJAC) turned down an invitation from the National Alliance for Reconstruction (NAR) for unity in their battle against the ruling People's National Movement (PNM) in the December 15 election.

Aiyegoro Ome, one of the deputy political leaders of NJAC, said his party was the stalwart in opposing the PNM for almost two decades. He said he could not understand why NAR should want NJAC to join them in fighting the PNM.

"We have been doing so for years," Mr Ome said. He was addressing delegates and supporters of NJAC yesterday at their first national convention ever to be held at Convention Centre, Chaguanas.

Speaking on the "Economic Decline and Revival", the NJAC deputy leader criticised the PNM and NAR who, he said, did not possess a manifesto.

"We have the only manifesto, and it is in what we call the 'blue book'. The other manifestoes are made up of promises and achievements."

During his address before a crowd of 300, Mr Ome said the only reason why the late Prime Minister Dr Eric Williams did not leave active politics in 1973, was because OPEC increased the price of oil.

"Eric Williams was planning to leave in 1973 during the frustration period, but when OPEC increased the price of oil, he remained. The increase in the price of oil was only for the PNM, and not for the people in the society," Mr Ome added.

The NJAC deputy political leader also criticised a promise made by NAR in its manifesto in which the party leaders plan to increase personal tax allowances from \$2,500 to \$12,000.

False Promises

"That talk is only making false promises. They do not know what is there, until they get into Government. NAR

cannot live up to that if they get into power," Ome told the Convention Centre audience.

The convention began 100 minutes late yesterday, due to the late arrival of some of the party's 36 candidates for the December 15 election. NJAC was scheduled to present its slate of candidates in Woodford Square last night.

Another speaker, barrister-at-law Jawara Mobota, chairman of NJAC, said there was an imbalance in the type of crimes committed. He said only the victims of the drug problem which was plaguing the country were being dragged before the courts.

Speaking on "Law, Justice and the Poor", Mr Mobota said there was still injustice in the legal system which "we boast we have inherited from our Colonial masters."

The NJAC chairman said since 1981 his party has been calling for the return of a conception of justice which was ethical and right.

NJAC's candidates for the December 15 elections:

COUVA SOUTH — Keith Murray
CARONI EAST — Moussa Mugabe
TOBAGO EAST — Thuku Moheni
SAN FERNANDO WEST — Kasala Kamera

DIEGO MARTIN CENTRAL — Imamu Obasi

NARIVA — Val Caberra
POINTE-A-PIERRE — Damani Menkou-Ra

TOBAGO WEST — Embau Moheni
DIEGO MARTIN EAST — Azikiwe Smenkh-Ka-Ra

FYZABAD — Imo Bakari
AROUCA NORTH — Iyesson Kunle
LAVENTILLE — Kwasi Mutema

SAN JUAN BARATARIA — Makemba Kunle

COUVA NORTH — Abraham Mamood
PORT-OF-SPAIN NORTH — Moriba Kwamina

DIEGO MARTIN WEST — Babu Ketema

CHAGUANAS — Michael Nimchan
ORTOIRE MAYARO — Ako Sakura
ORPOUCHE — Prakash Jagernauth
SAN FERNANDO EAST — Oronko Barca

TABAQUITE — Ato Osei
ST ANN'S EAST — Dara Anyika
NAPARIMA — Davanand Heerasingh

ST ANN'S WEST — Anum Bankole
ARIMA — Ako Mutema
AROUCA SOUTH — Moriba Modibo

SIPARIA — Dela Obika
LA BREA — Atuba Baraka
TUNAPUNA — Liseli Daaga

ST AUGUSTINE — Keith Baboolal
POINT FORTIN — Nyahuma Obika
PRINCES TOWN — Folade Mutota

TOCO/MANZANILLA — Rajah Ramlogan

PORT-OF-SPAIN SOUTH — Makandal Daaga

PORT-OF-SPAIN EAST — Aiyegoro Ome

ST JOSEPH — Jawara Mobota.

NAR Charges Against PNM

Port-of-Spain DAILY EXPRESS in English 25 Nov 86 p 5

[Article by Compton Delph]

[Text]

THE National Alliance for Reconstruction Sunday night launched a blistering attack on the ruling People's National Movement and charged that the political regime of the past 30 years was riddled with corruption and massive waste of taxpayers' money.

Presenting its 36 candidates to the people of Tobago at the biggest ever political meeting in the island, NAR speakers, including its political leader, A.N.R. Robinson, accused the Government of frittering away billions of petrodollars through large scale corruption and monumental waste.

Deputy political leader, Basdeo Panday, given a rousing welcome by the large crowd, which jammed the Scarborough Market car park, zeroed in on the latest issue of corruption, that involving insurance executive, Dennis Davidson, now wanted by the police, involving a multi-million dollar foreign exchange fraud.

Davidson, claimed Panday, was permitted to leave the country because

ministers of the Government were involved in the scam for which he is wanted by the police.

Now that he had fled the country, the police had issued warrants for his arrest, reminiscent of the scandal involving the late John O'Halloran.

Former Airports Authority chairman, Selwyn Richardson, received a tumultuous reception when his name was announced by party chairman, Herbert Atwell, who presented the candidates to the Tobago voters. He accused the

Government of deliberately suppressing plans for the extension of the runway at Crown Point and warned that at present, it posed a danger to the landings of DC-9.

And Pam Nicholson, Tobago's "Iron Lady" of politics, called on Trinidadians to follow the example of Tobagonians, who had rejected the "corrupt regime of the PNM."

She recalled that during the campaign for the 1984 House of Assembly election, Prime Minister George Chambers had come to Tobago "to prove who was Prime Minister of the country. We sent him back and he can't even come back to his second house in Tobago," she declared.

The PNM is still to present its candidates to the people of Tobago. And so far, the party has not held any public meetings over here.

NAR on PNM Attack on Media

Port-of-Spain DAILY EXPRESS in English 25 Nov 86 p 5

[Text]

THE National Alliance for Reconstruction has expressed "profound concern" over last Sunday's attack on the media by Prime Minister George Chambers, political leader of the People's National Movement.

"What is now emerging," the NAR said in a statement issued yesterday, "is a consistent pattern of intimidation, harassment and threats which strike at the heart of the constitutional right of freedom of speech and expression and the citizen's right to information."

The NAR said it considered it "most reprehensible" that the political leader of the PNM should encourage an "unruly mob of his supporters to physically assault a young female reporter and other journalists who were simply trying to do their job."

By his actions, the NAR declared, Chambers has "brought great shame on the civilised and decent people of Arima and on the whole national community."

It described last Sunday as a "bleak day" in the history of the Government of Trinidad and Tobago.

"We call on the Prime Minister to issue an unqualified apology to those journalists who

were set upon," the statement added, "and to the *Express* and Trinidad and Tobago Television (TTT), to the burgesses of Arima and to the nation."

The NAR said it wished to ensure the "brave and hard-working" members of the media that it would support to the limit their efforts to report the news and keep the citizenry informed.

Specter of 'Civil War'

Port-of-Spain DAILY EXPRESS in English 27 Nov 86 p 2

[Text]

ENERGY Minister Patrick Manning warned that if the Opposition National Alliance for Reconstruction should win the December 15 general election there may be civil war in the country.

Manning spoke at a public meeting at Jarvis Street in Vistabella on Tuesday night. The platform was shared with External Affairs Minister Errol Mahabir.

Said Manning: "What conclusion must I draw? I draw the conclusion that the plan has been laid that the objective is clear that if, God forbid, that political organisation should gain power in 1986, we are going to see

conflict of all kinds in terms of a power struggle.

"And the Leader of the Opposition will seek to implement a policy that is consistent with his plan. You might take it simply, but for Trinidad and Tobago that may be civil war."

Manning read clippings from both daily newspapers to support his contention that Opposition leader Basdeo Panday was laying the groundwork to wrest power from the hands of A.N.R. Robinson and catapult the United Labour Front into governing the nation. Manning said the National Alliance for Reconstruction should be rejected on the grounds that it could be trusted.

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TRINIDAD AND TOBAGO

OWTU, WEEKES BLAST FEDCHEM, CALL FOR UNION SOLIDARITY

Call for Action

Port-of-Spain DAILY EXPRESS in English 17 Nov 86 pp 36-37

[Apparent paid advertisement headed "Oilfields Workers Trade Union. The Threat To Destroy the OWTU and the Trade Union Movement"]

[Excerpts]

For the past eleven weeks the two hundred (200) hourly, weekly workers of Federation Chemicals Limited have been on the breadline. This has come about not by their own choice but by decision of the Fed Chem board headed by Sidney Knox to lock-out the workers on August 28th, three days before Independence Day.

The Company as a pre-condition for a return to work is trying to force the workers into signing individual contracts that would result in the loss of many important and long standing benefits. The workers on principle have refused and are prepared to have the negotiations settled by the Industrial Court.

The O.W.T.U. has campaigned day and night on the war-mongering attitude of Fed Chem. On February 19th we warned by way of a paid advertisement that Fed Chem was going to lock-out its monthly paid workers. The Company denied this but on that they took lock-out action. We put out several ads in May about the situation at Fed Chem. Nobody took us on.

Public meetings have been held, motorcades taken place and demonstrations organised to highlight the plight of the workers. This activity culminated on 23rd October with a massive march through the streets of Port of Spain. We

have also written to the Inter - Religious Organisation and the Christian Council outlining the situation and seeking dialogue with the nation's religious leaders.

In our campaign we have sought to raise the following issues:

1. The Fed Chem workers are fighting a battle not only for themselves and their families but also in defence of all workers and Uniona. They are defending principles such as the COLA, the check-off system, Union Company Consultation before the alteration of terms and conditions of work etc. If the Fed Chem workers lose, no worker, no Union will be safe.
2. Fed Chem is a South African connected transnational. Their presence in Trinidad and Tobago and more particularly their naked attacks on black workers and their contempt for the Government are an affront to our national dignity, self-respect, independence and sovereignty.
3. Fed Chem is the "bad-john" on behalf of the united employer class. They are openly supported by the Employers Consultative Association, the Chamber of Industry and Commerce and the Trinidad Manufacturers Association. Recall the statements of these

Organisations that they will support employers who lockout workers. Remember too the statements by the President of the E.C.A. that "there is no safe sanctuary, no worker is safe, the battle-ground is everywhere", and the Chamber head that "wages and salaries must be reduced, COLA must go, benefits must be reduced". Regretfully the inaction of the Government means that it, as the largest employer in the country, is also supporting Fed Chem.

4. The employer class is comprised of a tiny elite. An elite of transnational companies whose parent companies are based in the White Western Capitalist countries whose wealth derived from slavery and the slave-trade; of local conglomerates controlled in the main by French Creole big business – the grandchildren and great-grandchildren of slave-owners; of the banks which are largely owned by foreign banks and which are managed by the French Creoles. In addition there is a small group of self-declared "honorary whites", professionals who have been placed on the boards and in senior management positions to add colour.

While this titanic battle is being fought by 200 workers and their Union there is a deafening silence all around. The Government has done nothing. Ministers have expressed sympathy, some have declared ignorance about the issues and promised to "look into it", others have privately condemned W. R. Grace as a "wicked transnational" but indicated powerlessness in dealing with the Company. Some have mameguyed as in the case when after a recent picket of Whitehall the Minister of Labour stopped to inform the Union's 1st Vice President that he should contact his special adviser. When this was done, the Special Adviser said the Minister had not given him any instructions.

No Action

The Prime Minister stated "protests are not the answer", but failed to say what is the answer. He has consistently refused to meet with the Union to dialogue about the situation and collectively arrive at solutions. It is to be noted that the Union has written to the Prime Minister on numerous occasions, seeking such dialogue on the economy, and on industrial relations. At the re-opening of the tripartite talks by Prime Minister on 28th February 1986 in the presence of and with the consent of CPTU and Congress leaders, an appeal was made by the President General of the OWTU on behalf of the Trade Union Movement for dialogue with the Prime Minister on the economy and industrial relations. He agreed but to date nothing has happened.

The press has been either silent or hostile. If we had taken strike action the editorials, the ghost letter writers, the faceless and cowardly special correspondents would have attacked us left, right and centre accusing us of "irresponsibility, lack of understanding of the current realities, sabotage of industry, economy etc". By locking out Fed Chem has taken industrial action but the writers utter not a word of criticism. Indeed the Union and myself in particular have been condemned and attacked as being 'racist' for talking the truth.

The religious bodies though acknowledging our letters have not acted to have dialogue with us. Nor have we heard statements that would seek to "heal the wounds" and establish peace in industrial relations.

But perhaps worst of all is the lack of concrete solidarity and unity in action from certain union leaders. Some of them do not even pay lipservice in offering solidarity. Perhaps they consider themselves "honorary whites" and are not prepared to defend black workers. They do not appreciate the fact that the Fed Chem workers are fighting on behalf of all workers. Trade Unions therefore have not only a moral responsibility but a vested interest in rallying to the cause of the Fed Chem workers.

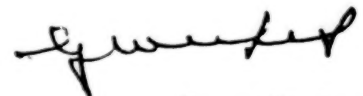
The lack of real concern by the national community for workers who are under attack, for the hundred thousand unemployed, for the marginalised in our society, will eventually lead to social chaos and ultimately violence on a scale we have not yet experienced. Already the signs are there. Violent crime is on the increase, nine youths killed by the police in the past ten months, drugs and the mafia etc.

Let it not be said that the OWTU has not been striving for peaceful solutions. We have done everything humanly possible. We have fought and are fighting for peace through justice.

In a further effort to find a peaceful solution we have invited all trade union leaders to have a meeting with us this week to discuss the situation and decide to do something positive to get the Government to use its powers under the IRA to have the lock-out ended and the matter referred to the Court. If trade unions agree then the workers will be back on the job long before Christmas the season when there is supposed to be "Peace on Earth".

If the rest of the national community and in particular the trade union movement, the Government and the media, do not intervene decisively then the violence will come. And the blood will be on their hands. History will judge the result.

Yours comradely
Oilfields Workers' Trade Union



George Weekes
President General

Appeal to Other Unions

Port-of-Spain DAILY EXPRESS in English 17 Nov 86 p 5

[Text]

THE Oilfield Workers Trade Union is soliciting the support of all trade union leaders for a one-day general strike to resolve the 11-week lock-out at Federation Chemicals Limited.

OWTU leader George Weekes has despatched a letter to other trade union leaders calling for joint action on the issue. Weekes made the call following an emergency meeting of the union's general council on Friday morning. The trade union movement is called to a special meeting of executive officers at the Holiday Inn in Port of Spain on Wednesday at 2 pm.

In his letter to trade union leaders, Weekes said, "The OWTU would like the moral and physical support of your union and from the trade union in general." Weekes outlined the "legal and non-violent" steps taken by the union to resolve the Fedchem impasse. Said he, "We wrote to the Prime Minister on more than one occasion and presented him with a petition from the lock-out workers and their families. We have engaged in picketing and

pamphleteering, demonstrations, motorcades and an all-night vigil of appeal outside Whitehall, but to no avail in so far as resolving the dispute is concerned."

Weekes said that the union had charged the company with taking illegal lock-out action, "but we all know how slowly the court operates." He said what was needed was a change of strategy pointing out that the time had come for "positive mass action by all our members in the first place."

Weekes said that as the Fedchem impasse continued for the 11th week, "There seems to be no inclination on the part of the government to intervene under the Industrial Relations Act or on moral grounds in such a manner as to be supportive of the national interests which are constantly raped and plundered by this

American multi-national apartheid connected multinational corporation."

TV-Request Rebuff

Port-of-Spain DAILY EXPRESS in English 17 Nov 86 p 5

[Text]

THE Oilfield Workers Trade Union (OWTU) has been rebuffed by State-owned Trinidad and Tobago Television (TTT) in its attempt to buy television time to air its views on labour issues in the country.

OWTU general secretary Doodnath Maharaj in a letter to TTT's general manager John Barsotti called on TTT to review its position on the matter and grant the union television time. Maharaj said that the union wanted to put its position to the population on the "widely admitted social, economic and industrial relations crisis besetting our country."

Said Maharaj, "Television, particularly state-owned television in a developing Third World country, cannot be viewed as just another business enterprise or medium of reportage and entertainment. In a country such as ours, the mass media and particularly television which is the most powerful of all communication media, must be seen primarily as a tool of development- social, political, cultural and economic." Maharaj said that TTT cannot deny the labour movement a chance to air its views.

Said he, "It is ridiculous to act as if the labour movement is some irritating presence which will go away if ignored. The historical role of the labour movement confirms the view that it is the most powerful bulwark against authoritarianism and the single most important institution that has opened democracy in our land."

Said Maharaj, "If TTT believes in the broadening of democracy through access to the media, then it is incumbent upon you to respond favourably to our request for the purchase of TV time so that the views of the OWTU can be aired and contribute to the debate on the direction of our country's development." The union proposed November 21 as a date on which both parties could meet to resolve the issue. The letter was copied to the Minister of State Enterprises Ronnie Williams and Information Minister Muriel Green.

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CSO: 3298/050

TRINIDAD AND TOBAGO

BRIEFS

UNEMPLOYMENT FIGURES---There are 76,700 persons unemployed in Trinidad and Tobago, according to the Central Statistical Office (CSO), which also stated yesterday that the unemployment rate was 17 percent as of June 1986. In a bulletin issued yesterday, the CSO stated that the total labour force fell from 466,600 in December 1985 to 463,500 in June 1986 while the number of people employed also fell in the same period from 391,900 to 386,800. The CSO said the unemployment rate had also risen by one percentage point in the same period. Of all the administrative areas, San Fernando was hardest hit with an increase of eight percent, from 15 to 23, in the period under review, while in Tobago unemployment rose from 10 to 17 percent in the same period. Nariva/Mayaro, on the other hand, recorded a sharp decline in the rate from 24 percent in December 1985 to 15 percent in June 1986. [Text] [Port-of-Spain DAILY EXPRESS in English 11 Nov 86 p 1] /9274

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